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SOUTHEAST ASIA REPORT

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EDITORIAL EXAMINES IMPORTANCE OF MINING

Rangoon THE WORKING PEOPLE'S DAILY in English 4 Aug 83 p 4

[Editorial: "Mining Projects"]

[Text] PRIME Minister U Maung Maung Kha, together with Deputy Prime Minister and Minister for Defence General Thura Kyaw Htin, Minister for Transport and Communications Thura U Saw Pru, Minister for Industry 1 U Tint Swe, Minister for Industry 2 U Maung Cho, Minister for Mines U Than Tin and Director of Defence Services Intelligence Col Aung Koe inspected copper and iron projects in Sagaing and Mandalay Divisions recently.

The Prime Minister and party inspected the No 1 Copper Project in the Kyesintaung area on the west bank of Monywa, Sagaing Division, and the No 1 Iron Project near Anisakan in Maymyo Township of Mandalay Division. During the inspection tour the Prime Minister and party were given detailed reports on the measures being undertaken. The Prime Minister also left instructions for further improvement.

The mining sector is one of the priority sectors of our economy being one of the top foreign exchange earners. The instructions given by the Prime Minister would surely lend greater impetus to the endeavours for exploration of new mineral resources as well as for increasing the tempo of exploitation of the on-going mining projects for fulfilling the targets set for the mining sector for 1983-84, the second year of the Fourth Four-Year Plan.

The Ministry of Mines is laying down and implementing projects for extraction of minerals needed for the country and minerals which fetch good prices in the world market.

With careful planning, all-out efforts by the departments, corporations and personnel concerned, and the higher production rate of various mining projects including the No 1 Copper Project and the No 1 Iron Project, we are confident that the 11.9 per cent growth targeted for this year in the mining sector will be fully met.

CSO: 4200/865

FIJI

BRITISH SAS REGIMENT TRAINING REVEALED

Auckland THE NEW ZEALAND HERALD in English 8 Aug 83 p 1

[Text] Suva--The jungles of Fiji have quietly become a training ground for the super-secret British SAS Regiment.

The British High Commission in Suva refused yesterday to discuss the presence of about 70 SAS troopers in Fiji.

A commission spokesman said it was policy to neither confirm nor deny SAS movements. But the commander of the Fiji Military Forces, Commander Epeli Nailatikau, said the troopers were spending five weeks on jungle warfare exercises in the Naqali district of southern Viti Levu.

The Fiji troops were giving them instruction in jungle survival techniques, he said.

"They flew from Britain because there is nowhere else for them to train in a jungle situation," Commander Nailatikau said.

SAS exercises were separate from exercises being conducted in other parts of Fiji by New Zealand troops and Hong Kong-based Gurkhas of the British Army.

Commander Nailatikau said units of the New Zealand SAS Regiment were due on exercise in Fiji towards the end of the year.

CSO: 4200/868

NO PROOF OF SOVIET HELP TO OPPOSITION

Auckland THE NEW ZEALAND HERALD in English 9 Aug 83 p 16

[Text] Suva Fiji's ruling Alliance Party admitted to a royal commission yesterday that it had no evidence to prove claims by its leader Ratu Sir Kamisese Mara, that an Opposition politician signed a document agreeing to grant facilities in Fiji to the Soviet Union if the National Federation Party had won last year's general election.

The Alliance has also withdrawn allegations that a former Indian High Commissioner to Fiji, Mrs Soonu Kochar, became involved with the Opposition while she was stationed at Suva.

A lawyer representing the Alliance, Mr Cyneshwar Lal, told Sir John White, the New Zealand judge who forms the commission, that the party had not been able to obtain or provide evidence to prove that the politician, Siddiq Koya, a former Opposition leader, had signed a document concerning Russian involvement with the National Federation.

In May, Ratu Mara told the press that the major issue before the inquiry into last year's election was his allegation that the Russians had paid about one million Australian dollars to the Opposition's election fund. He produced a photocopy of a document purportedly signed by Mr Koya.

Ratu Mara's moves caused a sensation in Fiji although his original allegation of a Russian involvement had been made after the election in July, 1982.

The inquiry started last November and more than 60 days of evidence has been heard, covering a wide range of issues.

However, last month the Alliance said that because of national security and "delicate diplomatic relations," it would not produce evidence in support of allegations concerning the Russians.

The Government also claims crown privilege in refusing to disclose information demanded by Opposition lawyers.

After the Alliance statement yesterday, an Opposition lawyer, Mr Bhupendra Patel, said the National Federation Party was prepared to close its case and no longer wished to question Ratu Mara about his allegation.

Sir John adjourned the inquiry until next Tuesday.

EEC LOAN FOR PACIFIC FORUM LINE

Honiara SOLOMON STAR in English 12 Aug 83 p 8

[Text]

More than one thousand containers are to be purchased by the Pacific Forum Line with assistance provided by the European Community.

A soft loan of 4.575 million ECU (about US\$4.1 million) for this purpose has been approved by the European Investment Bank, the Community's Luxembourg-based bank for long-term finance. In addition, a one million ECU grant (about US\$0.9 million) has been provided from funds available to the ACP Pacific Group countries under the Lomé II Convention.

Recipients of loan monies from the Bank will be the ACP shareholders of the Line - Fiji, Kiribati, Papua New Guinea, Tonga, Tuvalu and Western Samoa. The countries will use the proceeds of the loan to purchase equity in PFL, which will in turn purchase the containers.

These countries, together with Australia and New Zealand, have also agreed to

contribute to a recapitalization programme for the Line which was worked out at the South Pacific Forum in Rotorua last year.

The total package including the purchase of containers will provide PFL with approximately US\$18 million by the end of 1984.

Providing the Line with a substantial proportion of its own containers has been assessed as the most critical requirement for its successful operation. It, in fact, was a major recommendation of a team of consultants from the London-based Touche Ross company who undertook a study of the Line in 1981.

Extensive consultations following the Touche Ross report involving EIB officials, shareholder Governments and SPEC have now culminated in the finalization of the present financial package.

When the containers now ordered are received by PFL, the Line will own approximately two-thirds of the containers it uses. The new containers are expected to save the Line over US\$3 million per year.

CSO: 4200/868

BRIEFS

SUGAR FUTURE 'BLEAK'--Suva--A five-month drought is threatening to cut Fiji's sugar production by half this year. The chief executive of the Fiji Sugar Corporation, Mr Rasheed Ali, said that if the drought continued he estimated this year's crop would only be 280,000 tonnes compared to 500,000 last year. He said the drought had already had a serious effect on the planting of the 1984 crop, with only 8 per cent of expected planting completed. "The present situation is worrying us and the future looks very bleak," Mr Ali said. [Auckland THE NEW ZEALAND HERALD in English 2 Aug 83 p 16]

PROBLEMS IN SUVA--Suva--Malnutrition, disease and social problems in Suva are worsening as people from the country side continue to flood into the city, according to a report by the Suva City Council. It said, that between 1976 and last year, Suva's population rose by more than 10,000 to nearly 75,000. The shift of population is straining the city's already overtaxed housing, schooling and social service amenities. The report said there had been an increase in communicable diseases such as tuberculosis, and a significant rise in malnutrition affecting children in the one-to-five-year age group. [Auckland THE NEW ZEALAND HERALD in English 4 Aug 83 p 1]

CSO: 4200/868

AGREED MINUTES OF AID AGREEMENT WITH NETHERLANDS SIGNED

Jakarta HARIAN UMUM AB in Indonesian 10 Aug 83 p 1

[Text] The agreed minutes of a Dutch-Indonesian aid agreement were signed yesterday at Pejambon by the director general of foreign economic relations of the Department of Foreign Affairs and the Dutch ambassador to Indonesia, L.H.J.B. van Gorkom.

The agreed minutes cover the use of Dutch financial aid for the 1983/84 year and are the result of negotiations held in Jakarta from 26 to 30 July 1983 by delegations headed by Bappenas Deputy Chairman Muchtarudin and Ambassador van Gorkom.

Financial aid for 1983/84 projects is valued at 160 million florins (\$53 million) and includes a grant of 10 million florins (\$3.3 million) for food aid and a supplemental loan of 22 million florins (\$7.1 million) for the maritime sector that will be financed jointly with the Asian Development Bank.

In addition, a supplemental loan of 10.3 million florins (\$3.4 million) has been provided to finance part of the PRX exchange system telecommunications project in Jakarta.

In the development of the maritime sector, highest priority will be given to financing of tugboats and spare parts for dredges. Several other projects are still being explored. These include special ports, renovation of merchant shipping, improvement of shipyards, and training of workers.

Technical aid for 1983/84 will be used to finance an abattoir in Jakarta, a water resources study in Cengkareng, an irrigation project at Luwu in South Sulawesi, a master irrigation plan for the Ujungpandang area, small investment credits, student scholarships, and public housing in Surakarta.

Other projects for the same year include a land reclamation project at Rawa Sragi, a subdistrict development project, potable water projects for 15 communities in West Java, North Sumatra, Aceh, Balikpapan and Palembang, electric power projects in Aceh and Maluku, and rehabilitation projects in the land communications sector, primarily for the State Railway Company.

5458

CSO: 4213/549

NO DEPRIVATION OF POLITICAL RIGHTS OF MUSLIM COMMUNITY

Jakarta KOMPAS in Indonesian 8 Aug 83 p 1

[Text] Minister of Religious Affairs Haji Munawir Sjadzali has refuted the aspersion that the political rights of the Muslim community in Indonesia have been "emasculated." The minister spoke with reporters after emerging from a meeting with President Suharto at the Bina Graha building on Saturday.

In response to a reporter's question he said, "What is the truth?" "Is there a measure or criterion that can be used to determine whether or not a group or class has political rights?"

He said that, practically speaking, there are three factors that can be used to determine whether or not a group in any country has political rights. These factors are the right to have a political party, the right to participate in general elections (to run for office and to vote), and the right to supervise the operations of the government through an assembly of the people's representatives.

"I think we all agree that these three rights are held and enjoyed by the Muslim community in Indonesia. And I can say conscientiously and in all modesty that not all of the Moslem communities outside Indonesia enjoy all three of these rights," he said.

"I do not want to name any countries, but you can draw your own conclusions. And if there is anyone who can prove that I am in error then I ask him to do so," the minister said.

Wise to Give Thanks

"We would be wise to give thanks to God. What would have happened to us if the PKI's 30 September Movement had succeeded in 1965? The economic and political situations of many other countries are disrupted, but we enjoy political stability and are making progress in our national development," he said.

Quoting a passage from the Koran he said, "Only a few of My servants are thankful and know to give thanks."

The minister said that if the persons who raise up these allegations are honest people then they should also be able to describe the lot of Muslim communities outside Indonesia in terms of these three rights, that is, the right to have a political party, the right to participate in general elections and the right to supervise the operations of the government through an assembly of the people's representatives.

"I can say that we are happy to be able to enjoy all three of these rights." The minister said that this was a clear fact, and, "If there are those who say my words are not true, then they are mistaken."

When asked who had raised this allegation the minister replied, "You reporters know better than I do." Again quoting from the Koran he said, "The questioner knows more than the one questioned, but pretends not to know."

5458

CSO: 4213/548

SULTAN FOR PERSUASIVE APPROACH IN HANDLING YOUNG HOODLUMS

Jakarta KOMPAS in Indonesian 10 Aug 83 pp 1, 9

[Text] "No one was born to become a hoodlum. Well, maybe one or two, but not all of them, and therefore a persuasive approach must be adopted in dealing with the problem of young hoodlums." This is the view of Sultan Hamengku Buwono IX.

The governor of Yogyakarta advanced this guideline in a marathon meeting with all local officials. He said that young people may develop criminal tendencies because they are frustrated, unemployed or have no opportunities. In finding a solution to the problem we must take a broad view of the situation and determine why it exists, he said.

The meeting was held Monday afternoon and evening and was resumed Tuesday morning before ending at midday. During the meeting the sultan listened to reports from and gave instructions to all local leaders. In an announcement on Monday afternoon he said that subordinates should not be hesitant or embarrassed about making reports on unpleasant subjects, and the sultan's frank and open attitude was reciprocated.

Shock Therapy

Drs Soedomo Soenarjo, the head of the public relations office, briefed reporters on the meeting. He said, "Colonel Siswadi, the commander of Pamungkas Military Area Command 072, reported that shock therapy was applied to young hoodlums in the Yogyakarta area from the end of March to the middle of April. This therapy was applied for only a limited time, but when this phase was completed it was followed by other phases, and all young hoodlums were required to report to the authorities."

Soedomo said that the military commander did not report on the number of hoodlums who had been treated to shock therapy. However, he said that more than 1,500 young hoodlums from throughout the Yogyakarta area had turned themselves in or reported to authorities. More than one-half of these people were from Bantul district, he said.

On hearing the military commander's report the sultan said that no one was born to become a hoodlum. He recommended that the government apparatus in

the Yogyakarta area try a sociopsychological approach in dealing with the problem of young hoodlums. "The regional government must look for experts who can use a persuasive approach in dealing with this problem. All of us must find ways to channel all of them back into society. This cannot be done by coercion, rather we must find a therapy that is both suitable and effective. One possible method would be to train them and find jobs for them," he said.

Unemployed Teachers

Another problem of immediate concern to the Yogyakarta government is the existence of 10,000 unemployed graduates of Teacher Training Schools (SPG). The records show that the 57 SPGs have an enrollment of 14,151 students. Each year the SPGs can turn out at least 4,000 graduates, but the local market can absorb only 1,000 of these graduates.

What is to be done with the 3,000 persons who graduate each year but cannot find teaching jobs? Their total number already has risen to 10,000. They cannot enter other occupations because it is prohibited by regulations. They also are constrained to go into teaching because in other sectors SPG graduates are rated at the same level as primary school graduates.

The regional governments of Jambi, South Sumatra and East Kalimantan have asked for SPG graduates but the graduates have little interest in working as teachers outside of Java.

The sultan said that this is a national problem and he promised that he would bring it up with the minister of education and culture so that a solution can be found. The Yogyakarta governor also said that this is a very serious type of unemployment. He said that these people have had a taste of education and if they are forced to turn to crime they can be very dangerous, since they have the makings of "intellectual hoodlums."

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CSO: 4213/549

MANPOWER MINISTER OUTLINES WAYS TO COPE WITH LABOR PROBLEM

Jakarta SINAR HARAPAN in Indonesian 8 Aug 83 pp 1, 12

[Text] According to Minister of Manpower Sudomo, an estimated 2 million young people will enter the labor market during the Fourth 5-Year Plan (Pelita IV). The challenge we now face, the minister said, is not just to provide jobs for these young people, but also to develop them as a productive human resource.

The minister was speaking in Jakarta on Monday at the opening of a national workshop on manpower and economic problems. The workshop is being sponsored jointly by the executive council of the All Indonesia Labor Federation (FBSI) and the International Confederation of Free Trade Unions (ICFTU).

Sudomo said that an effort would be made to solve the manpower problem during Pelita IV and that this effort could not be separated from the effort that would be made to increase the level of employment through a national manpower planning program that would be activated during Pelita IV.

He said that productive human resources could only be created through education and training, and that with education and training manpower would become a national asset rather than a national problem.

He said that it was clear that the manpower problem would present a two dimensional target during Pelita IV. On the one hand there was the urgent need to develop the capacity of the labor market to absorb manpower, and on the other hand there was the need to develop the skills and expertise of manpower through formal training provided by the Department of Education and Culture and through nonformal training provided by the Job Training Centers.

The Job Training Centers, which are supervised by the Department of Manpower, have only a limited capacity, but there are many people that require training. Thus, the minister of manpower has taken steps to enable both private institutions and large companies that have the necessary facilities to provide training for jobseekers, members of the general public, and members of professional organizations, such as the Chamber of Commerce and Industry and IWAPI [not identified].

Criterion

Minister Sudomo said that if 50 percent of the labor force was employed during Pelita IV, then 30 million people would be employed during the first year of Pelita IV. This would mean that 30 million workers would be supporting a population of 161.5 million, or that every 1,000 workers would guarantee the livelihood of 5,383 people.

Considering that a ratio of 1,000 : 5,383 or 1 : 5.3 is rather high, and considering also that there are still households that live below the poverty line and that members of 11 million households subsist on income derived from plots of land less than one-half hectare in size, then it is clear that this ratio must be reduced during Pelita IV or by the last year of Pelita IV (1988/89), he said.

If the ratio of employed workers to dependent population is reduced then this ratio can be used as a criterion in determining the degree of success achieved in creating job opportunities through the national development process, he said.

He said that the maximum ratio for Indonesia should be 1 : 5. This would mean that each employed worker would support five people and assumes that each Indonesian family is composed of a husband, wife and maximum of three children. He said that the ideal ratio for Indonesia is 1 : 4 and could be achieved if the family planning program is successful and the slogan "Two Children Is Enough" is realized.

The minister said that the importance of training members of the labor force to give them skills and expertise or the ability to work productively could be seen from the fact that, according to the 1980 census, almost 88 percent of the labor force had some educational background, the majority of them at the primary school level.

He also noted that data from 1981/82 and 1982/83 showed that 783,000 job seekers had registered through the Department of Manpower but only 84,000 of the 163,000 job openings had been filled. This was mainly because the applicants did not possess the necessary qualifications, he said.

Two Challenges

Minister Sudomo said that planning in the area of education and training is needed to increase the absorption of workers in the labor market, to meet the demand for workers and to fill existing job openings.

The adoption of an integrated approach in national manpower planning, the planning of education and training and the operations of employment offices will enable us to synchronize market demand for workers and the availability of manpower, he said.

He said that this will allow us to overcome the situation that now exists in Indonesia, a situation which President Suharto warned against when he said,

"We must avoid turning out workers whose skills and numbers are not consistent with the needs of development." This situation exists when we need workers to build concrete buildings and find that only carpenters are available.

In his speech Minister Sudomo also commented on the worldwide recession and economic situation and on their effect on the Indonesian economy,

At the beginning of his speech he said that there were two serious challenges that would be faced during Pelita IV,

First, there has been no significant improvement in the recession that has beset our country since the middle of 1981 as a result of international economic conditions.

Second, there has been explosive growth in the number of young workers who are entering the labor market and these young workers do not have the skills required to fill existing jobs.

According to the minister, these two situations constitute challenges that must be answered during Pelita IV if the momentum achieved in national development during the first three 5-year plans is to be maintained.

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CSO: 4213/548

INDONESIA

INVESTORS NOT DISCOURAGED BY LOW ECONOMIC GROWTH RATE

Jakarta KOMPAS in Indonesian 9 Aug 83 pp 1, 5

[Text] As a result of the worldwide economic recession and its effect on the Indonesian economy, Indonesia's economic growth rate was only about 3 percent in 1982. This was far below the 1981 growth rate, which approached 8 percent. Concern over economic conditions continues to be felt in 1983.

These statements were made by Engr Suhartoyo, the chairman of the Capital Investment Coordination Board (BKPM), at a symposium on the investment climate in Indonesia following devaluation. The symposium is sponsored by the Finance, Economic and Business Institute (IIEK) and opened Monday at Hotel Indonesia, Jakarta.

Suhartoyo discussed the effects of the worldwide economic recession on Indonesia. He said that the export of traditional commodities had declined because of the reduction in the purchasing power of developed nations, and that revenues from oil had declined with the drop in world oil prices.

Indonesia has taken a number of belt-tightening measures as a result of its low rate of economic growth. These measures range from freezing the pay of government employees to the adoption of up-to-date banking policies.

Continued Interest

Despite the adverse economic conditions, capital investors continue to be interested in Indonesia. One of the reasons for this is the lack of restrictions on foreign exchange. There are no limitations on the amount of foreign exchange that can be brought into or taken out of Indonesia, and this has given investors the feeling of security they need to continue investing their capital.

To demonstrate the continued interest of investors in Indonesia Suhartoyo noted that domestic capital investment reached Rp 3.9 trillion in 1982, up 118.5 percent from 1981. Foreign capital investment was up 10.5 percent, rising from \$1.1 billion in 1981 to \$1.3 billion in 1982.

Following the question and answer period he told reporters, "We are worried about a shortage of attractive projects during the next few years because the saturation point has been reached for many types of projects. But we do not have to worry about investors."

He said that the future slackening of interest in investment projects will be due to the fact that most of the projects will be import substitution projects. Their markets will be very limited and will soon become saturated. Most of the import substitution projects will be in the manufacturing sector, for example, electronics.

Therefore, he said, we must begin to develop new projects that have an export orientation. Under present conditions agrobusiness projects are the type of export projects that offer the most advantage, and the BKPM will develop these projects and provide all facilities.

"Agrobusiness is the best business opportunity at the present time, particularly in view of the efforts that are being made to increase the level of nonoil exports," he said. He added that if Indonesia does not open new fields for investment it will be unable to maintain its investment growth rate in 1984, and that the new field that offers the greatest opportunity at the present time is agriculture.

"The industrial sector in Indonesia has reached the saturation point not only because of the worldwide economic recession but also because of the structure of the sector itself," he added.

Still Being Studied

The BKPM chairman said that the government will provide certain facilities in developing the agrobusiness sector. The types of facilities that will be offered are still being studied.

Some time ago the BKPM chairman said that the government, through Government Regulation No 2 of 1980, was offering certain facilities to investors in export oriented, labor intensive projects in remote areas. These facilities include a reduction of up to 50 percent in corporation taxes for as long as 10 years after the end of the tax-free period.

The BKPM is aware of the difficulties encountered in trying to find 10,000 hectare sites for estate agriculture. Because of these difficulties the government is establishing five 100,000-hectare zones for estate agriculture in Irian Jaya, Kalimantan and Sumatra.

These 100,000-hectare zones will be developed as large, private estates and will require about \$450 million (Rp 440 billion) in funding. To date, 13 groups of businessmen have stated in writing that they are prepared to enter into these projects. These businessmen include contractors and persons with a record of success in the cigarette, motor vehicle and other industries.

These large private estates will create 30,000 jobs. They can also be developed as Nucleus Estate and Smallholder Development Projects with the establishment of traditional farmers around their perimeters.

The symposium was opened by Laurence A. Manulang, the IBEK chairman. Engr Anwar Ibrahim, the BKPM deputy for planning and supervision, and Drs Rasidi, MA, the

BKPM deputy for evaluation will speak at the symposium on Tuesday, Minister of Manpower Sudomo will address the symposium on the third day.

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CSO: 4213/548

SMALL INDUSTRIAL ZONES TO BE DEVELOPED BY PRIVATE SECTOR

Jakarta KOMPAS in Indonesian 13 Aug 83 p 2

[Text] The development of small industrial zones during the Fourth 5-Year Plan (Pelita IV) will be turned over in full to the private sector, and the only function reserved to the government will be that of conducting feasibility studies.

This information was provided to reporters by Engr Hartato, the minister of industry, on Friday morning in the VIP room at Ahmad Yani Airport in Semarang. The minister, who was accompanied by Director General of Small Industry Gitosewoyo, had just completed a one-day working visit to Central Java. In the course of his visit the minister visited several machinery and metal handicraft cooperatives in Tegal and the Tegal small industrial zone. He also officially opened the Central Java Development Promotion Fair for 1983.

The minister said that only the government can decide whether or not it is feasible to establish a small industrial zone in a given area. While the development of small industrial zones has been turned over to the private sector, the government still performs certain duties in this area. "The government supervises industrial centers and establishes public service facilities," he said.

Public service facilities in industrial centers are very important to handicraft artisans. The facilities are established with funds from the budget, but they do not have to be fully equipped.

Great Interest

Minister Hartato said that the private sector is showing great interest in the development of small industrial zones. Private businessmen want to invest in small industrial zones because the zones use modern industrial technology, he said.

He said that during Pelita IV and thereafter small industry will become a force for the promotion of modern industrial technology, that small industry will be modernized in stages, and that the technological level of small industry must be the equivalent of that of heavy industry, even though heavy industry has a head start.

The minister said that the performance of some of the small industrial zones is satisfactory but others are not yet doing as well as had been expected. "The benefits provided by existing small industrial zones and by those that will be built in the near future will be consolidated. Better direction will be provided in the utilization of the zones, and the zones will be opened to handicraft artisans who live in nearby areas rather than being restricted to artisans who live in the zones," he said.

Director General of Small Industry Gitosewoyo noted that the development of the small industrial zones has never been financed from the national budget. Many receive government subsidies, but only during the initial phase, he said.

The director general said that most of the small industrial zones have successful records, even if the Tegal zone does not. He said that nine zones were operating and that another three zones had been completed and would be officially opened soon. "The development of small industrial zones will be turned over to the private sector but we cannot now say when this will be done. It is definite, however, that every residency, district and province will have a small industrial zone during Pelita IV," he said.

KOMPAS' records show that there are seven small industrial zones in operation. These zones are located in Yogyakarta, Magetan, Bandung, Tegal, Semarang, Sidoarjo and Tasikmalaya. Four other zones in Indramayu, Medan, Padang and Sukabumi have not been officially opened.

Central Java Fair

The minister of industry opened the 1983 Central Java Development Promotion Fair on Thursday afternoon. The fair will run from 11 August to 23 September.

In his remarks at the opening ceremony the minister said that a high level of idealism and a fighting spirit are needed to develop an industrial society. He said that this was particularly true during the initial phase, and in an area like Central Java where the social structure is based on an agrarian lifestyle.

Central Java province has an area of 34,053 square km and a population of about 26 million. Its industrial structure is composed primarily of small and handicraft industries.

According to figures provided by the Directorate of Small Industry, Central Java has a total of 584,600 small industrial enterprises and these enterprises employ some 1,617,860 workers. "This is 38 percent of the total number of small industries in Indonesia," Hartato said.

In addition to its small industries, which are fairly well developed, Central Java has a number of downstream industries and key industries that utilize natural resources. These industries, which are developing at a rapid rate, include cement and paper plants and oil refineries.

"The growth of these three subsectors of key industry will continue to be promoted to achieve stability and depth in our industrial structure. This will ultimately increase the added value of the industrial sector and will allow the sector to play a decisive role in the efforts that are being made to obtain and to reduce the expenditure of foreign exchange," the minister said.

In his remarks at the opening ceremonies Central Java Governor Ismail noted that the theme of the fair was, "Promote Public Acceptance of Domestic Products." He said that 10 percent of the goods displayed at the fair were foreign products but pointed out that this had been done deliberately so that the foreign goods could be compared with domestic goods.

Ismail said that the fair has 113 stands, 382 participants and some 2,500 employees. "Members of the weak economic group who are participating in the 1983 Central Java fair are not required to pay rental on their stands, although they do have to pay for electricity and water," he said.

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CSO: 4213/550

INDONESIA

COFFEE EXPORTS UP 13.2 PERCENT THROUGH THIRD QUARTER

Jakarta KOMPAS in Indonesian 12 Aug 83 p 2

[Text] Indonesian coffee exports through the third quarter of the 1982/83 coffee year (October 1982 to June 1983) totaled 154,777 tons, an increase of 13.2 percent over the same period in the preceding coffee year. Most of the exports were to quota and nonquota countries.

According to the monthly report of the Department of Commerce for July 1983, through June of of this year 85,904 tons of coffee were exported to quota countries and 50,767 tons to nonquota countries. Compared to the same period in the 1981/82 coffee year, this is an increase of 12.3 percent to quota countries and 14.9 percent to nonquota countries.

For the current coffee year Indonesia has received a quota of 144,066 tons from the International Coffee Organization (ICO). With 85,904 tons of coffee already exported to quota countries through the third quarter of the current coffee year, the remaining quota for the last quarter of the year is 47,598 [sic] tons.

The Department of Commerce has not provided an estimate as to whether or not the quota can be met before the quota period expires. There is concern that failure to meet the quota may have an adverse effect on Indonesia's efforts to secure a larger quota, since the ability to meet quotas is one of the guidelines used by the ICO in setting quota limits.

Market Conditions

The commercial attache of the Department of Commerce in London estimates that there will be a change in conditions on the coffee markets in London and New York, including a drop in prices.

He reports that coffee merchants in London and New York recently predicted that the global quota would be slashed by 1 million bags. This prediction is based on the fact that frost and heavy rains in Brazil, contrary to earlier assumptions, did not affect coffee production in that country. It was originally thought that coffee production in Brazil would drop by 1 to 1½ million bags because of the weather and that this would keep the price of coffee from falling below \$1.20 a pound.

Prices have shown a tendency to decline since the first week in July. On 1 July 1983 the price was \$126.11 a pound but a week later it had dropped to \$123.68 a pound.

Coffee merchants also are worried by surplus stocks in importing countries that are members of the ICO. It is estimated that there will be a surplus supply of 2 million bags in the April-September period, with demand standing at 26.5 million bags and supply at 28.59 million bags. Owners of coffee factories in Europe, excepting West Germany, and the United States do not anticipate an increase in the demand for their coffee.

Third quarter prices have risen above the average second-quarter price in quota countries and on local markets but have fallen in nonquota countries. Price increases were highest on local markets. The average second-quarter price of Rp 823.25 per kg rose 49.6 percent to Rp 1,231.8 in the third quarter.

The average price on markets in quota countries rose 0.9 percent from \$1.15 a pound to \$1.16 a pound. In nonquota countries the average price in the second quarter was 52 cents a pound, falling 15.4 percent to 44 cents a pound in the third quarter.

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CSO: 4213/549

LNG SALES CONTRACT SIGNED WITH SOUTH KOREAN FIRM

Jakarta HARIAN UMUM AB in Indonesian 13 Aug 83 pp 1, 3

[Excerpts] A 20-year contract for the sale of 2 million tons of liquefied natural gas (LNG) by Pertamina to the Korean Electric Power Corporation (KEPCO) of South Korea was signed on Monday at Pertamina headquarters in Jakarta.

Pertamina was represented at the signing by its executive director, Drs Joedo Sumbono, and KEPCO by its president, Jung Ki Park. The ceremony was witnessed by the minister of mining and energy, Prof Dr Subroto, and by the South Korean ambassador.

In his remarks at the ceremony Minister Subroto said that the occasion was an important milestone in the history of Indonesia's hydrocarbon industry. He noted that in the relatively short time of 10 years Indonesia had become the world's largest exporter of LNG.

Joedo Sumbono said that following the completion of expansion projects in 1986 our annual shipments of LNG will double from a figure of 9.8 million tons.

Questioned by reporters about the amount of income Indonesia would receive from the sale of LNG to South Korea, he said the amount was estimated at about \$500 million a year.

He said that the CIF system was used because we want to develop our capabilities in the transportation of LNG. Earlier we could not master the technology of transportation but now we are able to take over this function, he said.

He also confirmed that there is a mutual understanding that South Korea will be given an opportunity to participate in the transportation process if more than the contracted 2 million tons of LNG is transported.

Asked if the contract with the United States would lapse, he said that the contract was being extended but that implementation of the contract would be left to the United States.

Engr Soedarno Martosewojo told reporters that negotiations between Pertamina and KEPCO over the sale of the LNG had lasted for 2 years. He said that the shipments of LNG would begin at the end of 1986.

Joedo Sumbono said that in order to supply LNG to South Korea, Pertamina and its partner, Mobil, will build a sixth train at the Arun field. The cost will be about \$400 million and funds will be sought from other countries.

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CSO: 4213/550

INCREASE IN TARGETED EARNINGS FROM NONOIL EXPORTS

Jakarta KOMPAS in Indonesian 9 Aug 83 pp 1, 12

[Text] The Department of Commerce has established a target of \$4.9 billion in nonoil export earnings for fiscal 1983/84. This figure exceeds the targeted figure of \$4.2 billion that appears in the national budget. The new target was established as a result of a technical working meeting held by officials of the Department of Commerce in Jakarta from 1 to 6 August.

A source in the department told KOMPAS that the new target of \$4.9 billion was the figure agreed on during the meeting. However, Minister of Commerce Rachmat Saleh must meet with his first-echelon officers before it can be determined that this figure will be used as a basis for the department's operations.

"If we look at the results of the technical meeting we can assume that this figure will be used," the source said. He noted that the minister and all of his directors general had attended the meeting and used this figure.

The source said that one of the starting points in reaching a figure of \$4.9 billion was the fact that earnings from nonoil exports in 1982 had amounted to \$3.9 billion. "The world recession was very critical at that time," he added.

New Concept

When the technical meeting opened at the beginning of last week Minister Rachmat Saleh said that a new concept had been adopted in order to increase foreign exchange earnings from nonoil exports. This new concept represents a departure from the procedures that have been followed heretofor. The technical meeting was convened so that all echelons of the Department of Commerce could gain a better understanding of the new concept, adjust to its implementation, and promote an increase in the volume of nonoil exports.

"The existence of this new concept supports the conviction that the level of nonoil exports can be raised above last year's level and even over the figure targeted in the national budget," the source said. The new concept utilizes a commodity approach as a means of increasing the level of nonoil exports. The nine commodities now being handled are rubber, coffee, tea, cocoa, fish products, lumber, plywood, mine products and palm oil.

The source said that targets have not yet been set for the individual commodities. "Thus far they have ventured only to set a target for rubber," he said. It has been decided that 900,000 tons of rubber can be exported this year and that this will produce foreign exchange earnings of \$825 million, he said.

As of yesterday an official account of the results of the department's technical meeting had not been issued. The explanation given was that a press release had been prepared but could not be issued until it was examined by the minister of commerce.

Minister Disappointed?

- Another source confirmed that a target of \$4.9 billion had been set for nonoil exports for 1983/84, but, like the first source, he was unable to give the targets for the individual commodities. "The minister wanted to obtain targets for each commodity from the technical meeting but the participants in the meeting apparently did not fully understand what he desired. The minister appears to be very disappointed," he said.

Commodity technical teams, which are components of the Permanent Working Committee for the Promotion of Nonoil Exports, participated in the technical meeting. Participating teams included the rubber technical team, the textile and textile products technical team, and the plywood technical team.

The technical teams are involved in export promotion activities on a daily basis and they were asked to participate in the technical meeting to provide a concrete basis for the discussions. In this way all of the problems involved in the promotion of exports would be known to the participants, all of whom are involved in export activities. Definition of the targets would also be used in determining what each office in the Department of Commerce was required to do.

"The prospects for rubber are estimated to be good, but the other commodities are still far below the anticipated levels," the source said. He added that the meeting was convened to hold quantitative technical discussions but that it was complaints that were heard for the most part.

He said that this was because the participants did not fully understand what the minister desired, and also because of rumors that some of the persons attending the meeting would be replaced. Rumors that some first-echelon officials in the Department of Commerce will be replaced have been circulating for some time. According to the source, the officials will be replaced before the end of August.

Licensing Procedures

Another source who participated in the meeting said that a main area of discussion, in addition to the topics covered by the technical teams, was the restructuring of licensing procedures in the Department of Commerce and the distribution of duties among the department's offices.

This became a main topic of discussion because the department is directly involved in the effort to promote nonoil exports. The source was unable to give a definite answer when asked which procedures would be eliminated and which retained. "It won't go as far as that, but it is recognized that licensing must be improved to promote exports," he said.

When pressed as to what was meant by the word "improved," the source said, "In essence, there will be a total revamping in the near future."

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CSO: 4213/549

COMMERCE MINISTER DISCUSSES HIGHER NONOIL EXPORT TARGETS

Jakarta KOMPAS in Indonesian 10 Aug 83 pp 1, 12

[Text] The \$4.2 billion target set for foreign exchange earnings from nonoil exports in the 1983/84 national budget can definitely be surpassed. Our conviction that this can be done is based on the fact that the international economic situation is beginning to improve and the fact that our adoption of new operating procedures for the handling of nonoil exports is expected to support the achievement of this goal.

Minister of Commerce Rachmat Saleh, SE made these statements to reporters during a briefing on the technical working meeting that was held by the Department of Commerce on 1 to 6 August 1983. The technical meeting was attended by first-echelon officials of the department, the heads of the department's zone offices, several heads of commercial offices, commercial attaches from Indonesian missions abroad, the heads of Indonesian Trade Promotion Centers, and the consuls general from Hongkong, New York and Hamburg.

The minister did not give a definite answer when asked if the figure of \$4.9 billion had been established as the target for foreign exchange earnings from nonoil exports in 1983/84. This figure was mentioned by several sources that were contacted by KOMPAS. The minister said, "The technical meeting did not establish this figure as a target. We noted that the target in the national budget is \$4.2 billion. This amount must be exceeded as far as possible, and we are convinced that it can be exceeded." In any case, the minister did not deny that the figure of \$4.9 billion was mentioned during the technical meeting.

Exceeding the Target

The minister noted that the amount by which the export target can be exceeded depends on a number of factors. "Whether the target is exceeded by \$1 billion or by a larger amount depends on factors that are outside our control," he said. However he is convinced that the targeted figure of \$4.2 billion in the national budget can be exceeded.

His conviction is based primarily on the fact that the international economy is beginning to improve, and also on the fact that new operating procedures are being adopted for the handling of nonoil exports.

He noted that there are other contributing factors that are beyond our ability to regulate. He said that if the speed of the economic recovery abroad does not rise above its present rate and is limited to the United States, and if Europe does not experience the same degree of economic recovery, then the situation that develops will be less favorable than had the recovery been comprehensive. He also said that new problems might arise in such a situation.

"Since there has not yet been a comprehensive improvement in the international economy, then, as we read in the newspapers, the tendency to support protectionist policies remains very strong," he said. He added that the measures that are being taken to gain entry into foreign markets for Indonesian products will be continued, but noted that hopes that are held regarding the solution of problems such as this cannot always be fulfilled.

When questioned about quantitative targets the minister said that the subject was still under study. "Clearly, it could not be completed in this meeting," he said. He noted that there were many factors to be considered, particularly production capabilities.

New Operating Procedures

The minister, noting that the theme of the technical meeting was "Promote Non-oil Exports to Make the Fourth 5-Year Plan Successful," said that one of the main topics of discussion at the meeting was the measures that should be taken by the offices of the Department of Commerce in preparing themselves to support the export drive. Many internal problems of the Department of Commerce were discussed at the forum. Since the mission of the Department of Commerce is to support, develop and regulate the business world, then, in the area of exports, the question is one of how the department can best support exporters so that they are able to achieve optimal results, he said.

The minister also said that at the technical meeting emphasis was placed on the concept of promoting exports by using a commodity approach and a businessman/business unit approach.

He said that in the short term, that is, in 1983/84 and 1984/85, the procedures to be followed in increasing the volume of nonoil exports would be a very important problem. Noting that there were also problems connected with the medium-term and long-term periods, he said that the concept of promoting exports by using the commodity approach and business unit approach was applicable primarily to the short-term period.

In the commodity and business unit approaches several commodities are selected and each of the commodities is handled by a technical team. The intent here is to ensure that problems that arise in promoting the export of each type of commodity are handled in a way that will guarantee optimal results. People who are completely familiar with the respective commodities are selected to head the technical teams. For example, the rubber technical team is headed by an official from the Directorate General of Estates. Team members are people who have experience in areas connected with the export of the commodities, he said.

The assignment of the technical teams is to try to solve problems that arise in the export promotion drive, but they also have the function of producing ideas. These ideas are submitted to the ministers of various government departments and are used as a basis in formulating policy. "The idea of handling exports in this way is really nothing new, however emphasis is being placed on better coordination in the way some commodities are being looked at and handled," the minister said.

He said that this topic was addressed in the technical meeting to ensure that all participants really understood the concept and understood the position they occupied in its implementation. "We tried to describe their respective duties in detail. What this attache was to do and what that zone office was to do," he said.

Commercial Attaches

The minister also said that much hope was being placed on officials in foreign assignments, be they commercial attaches or officials assigned to an Indonesian Trade Promotion Center or consulate general.

He said that if they were all in agreement as regards the need to promote exports, then they all could certainly provide better service. Officials on foreign assignments will be expected to provide good information on market conditions to requestors in Indonesia. Of course this has been done in the past, but now better information will be expected. "We want it to be complete, detailed and quantitative," the minister said. Therefore, an effort was made at the technical meeting to provide a detailed explanation of what was expected of the commercial attaches, of the methods to be followed in providing information to requestors, of the types of information to be reported, of the problems encountered in maintaining our foreign markets, and so on. "Basically it's a matter of odd bits of information, of providing concrete information on small details," the minister said.

Some time ago several businessmen expressed doubts that commercial attaches would be able to do much in the way of providing information on foreign markets because of the limitations placed on them by their diplomatic status. The minister did not provide a direct answer when questioned on this point by a KOMPAS reporter.

"It's difficult for me to answer that question," he said. "If I comment I'll be accused of criticizing my colleagues in other government agencies through the press." He said that if the government demands more from its commercial attaches, then certainly they will be expected to have higher qualifications. Other authorities will be contacted to find a solution to the problem, he said.

Licensing

In response to a question about the simplification of licensing procedures and the elimination of certain fees, the minister said that his department, like other agencies, is conducting an inventory of the licenses it issues. He said that it had been found that the department issues more than 70 licenses.

"I'm not saying that all of this licensing is wrong, because some of it is based on the law. It is required by law," he said. He said that in view of all the licensing that is done, it is possible that the process can be simplified. Taking licenses that have to be renewed every 6 months as a case in point, he said, "We will look at this to see if it is necessary to do this every 6 months. Perhaps these licenses can be renewed every 2 years, or even every 5 years."

He noted that the act of getting to an office that issues licenses is sometimes a problem in itself because of the distances involved. We will look at this to determine if the matter can be handled locally. Perhaps applicants can contact zone offices instead of having to go to Jakarta to apply for a license, he said.

"Basically, anything that we can eliminate will be eliminated. Anything that can be simplified will be simplified," he said, adding that the reduction and simplification of licensing procedures usually results in a reduction in fees.

KOMPAS earlier reported that a source it had contacted said that the minister was disappointed in the attitude of the participants in the technical meeting because they did not speak in pragmatic and quantitative terms and tended to complain. Minister Rachmat Saleh denied this report. "It is not true to say that I was disappointed. Rather, I was encouraged by what took place at the meeting," he said. He noted that the discussions and responses of the participants indicated that they were enthusiastic about the prospects of trying out the new operating procedures, and that all of the participants will accept any duties that are assigned to them.

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CSO: 4213/549

QUOTA SYSTEM HAMPERS EFFORT TO EXPORT TEXTILES

Jakarta KOMPAS in Indonesian 13 Aug 83 p 12

[Text] The protectionist policies of developed nations--which are considered to be unjust by developing nations--are the main obstacle to the effort to obtain optimal amounts of foreign exchange from textile exports. This does not mean, however, that there are not other ways to increase textile exports.

These statements were made by Minister Rachmat Saleh at a meeting with reporters in Jakarta on Friday. "Textile exports have a great potential," the minister said.

However, whether this potential can be realized in full or in part will be largely determined by the quotas imposed by importing nations, he said. The minister noted that some advanced nations, including the United States, Canada and the members of the European Economic Community, are urging a negotiation of quotas, and at this moment an Indonesian delegation is visiting the United States and Canada to contact importers. "This is so we can determine precisely what they are thinking," the minister said.

The minister noted that originally quotas were imposed on only a few commodities. Now importing nations are urging Indonesia to negotiate quotas on categories that have never been subject to quotas before. The minister said that the only thing we can do in these negotiations is to try to obtain the largest possible quotas for Indonesia, rather than trying to keep the quotas from being imposed.

Unjust Policies

Rachmat Saleh said that quotas are a problem for all developing countries. Developing nations consider the protectionist policies and quotas of the developed nations to be unjust.

This charge is made because the developing countries feel that they have been working to achieve the goals that are so frequently and loudly propounded. "We are told that developing economies must not base too largely on the agricultural sector but must gradually move into manufacturing. Yet when we try to move in in this direction we are suddenly faced with this problem," he said.

Developing countries are aware of the unemployment and other serious problems that have resulted from the international economic situation. "But the international economy is beginning to improve so why are these protectionist policies maintained or not eased?" he asked.

The minister said that textile exports brought in almost \$150 million last year, but when asked what this year's export target was he would only say, "We are trying to keep it as high as possible."

A few days ago a member of the Indonesia Textile Association (API) said that the target for textile exports should be kept confidential. He said that if a definite figure was mentioned it could be damaging to Indonesia as it would make importers more cautious. Drs Frans Seda, the general chairman of API, would only say that 518 million meters of textiles valued at \$500 million were available for export.

Challenges

Rachmat Saleh also told reporters that while efforts to increase the volume of textile exports were plagued by the quota problem, this did not mean that there were not other ways to increase these exports. He mentioned two ways, and referred to them as challenges.

First, the national industry must adjust its production to turn out types of textiles that are not subject to quotas. Quotas are usually imposed on shirts, blouses, trousers and similar garments, "But there are other types of textiles that have no quotas," he said.

The second way is to develop new markets. The minister said that there are many countries that do not impose quotas on textile imports. Mentioning Japan and the countries of the Middle East, he said that a greater effort must be made to penetrate markets in countries that do not place quotas on textiles.

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CSO: 4213/550

KIRIBATI

BRIEFS

FISHING ACCORD WITH JAPAN--Kiribati has signed a deal with Japan giving fishing rights to its exclusive economic zone. The Kiribati Minister of Natural Resources, Mr Babera Kirata, told Radio Kiribati that following three days of talks, Japan would pay \$A1.4 million for rights to fish in the EEZ until September next year. In addition Japan will give Kiribati \$A119,600 in aid. Japan also agreed to allow Kiribati Government inspectors to sail with the fishing boats in order to verify catches. From next September the basis of the agreement will change, with Japan paying on a per-vessel fee basis yet to be agreed. [Wellington THE EVENING POST in English 8 Aug 83 p 8]

CSO: 4200/869

CHINESE YOUTH LEADER SAYS CHINESE MUST DETERMINE THEIR OWN FATE

Selangor KIN KWOK DAILY NEWS in Chinese 10 Jul 83 p 2

/Text/ Tay Ann Chuan, national president of the Malaysian Chinese Youth Solidarity Movement /CYSM/, said its members will play an important role in the national policy mainstream in order to determine their present or future fate, instead of having it decided upon by others.

He said that in the past and even today, when the benefits due the Chinese compatriots in the fields of politics, economy, culture and education were determined by other people, a lot of irregularities have cropped up. For instance, government subsidies for Chinese-language education have been slashed by M\$14 million from M\$18 million to a mere M\$4 million per year. Besides, lion dance parades have been restricted, and the erection of ceremonial arches, advertising signboards in several places and of the Nirwana Buddha Monument in Penang have all been hindered by certain quarters.

He added that in cutting the educational subsidy, the government's excuse was that there is no money available, yet the Islam University is constructing new buildings and carrying on with its expansion plan. If they claim to have no money, the authorities should suspend the university expansion forthwith. Thus, it may be seen that if our fate is determined and controlled by others, our livelihood is becoming more and more difficult as time passes.

Tay Ann Chuan made these remarks when he attended a dialog between Pooy Bin School and a branch of the CYSM held at a certain location.

He said that the recruiting of new members of the CYSM has concluded successfully. At present, 800 branches have been formed nationwide, with a total membership of 150,000. Financially, the movement is making good progress, too. So it has reached its third phase of development and is ready to participate in the affairs of state in order to play an important role in the national policy mainstream and determine the fate of the Chinese compatriots themselves.

Mr Tay said that each person, with one vote in his hands, possesses the most basic power. This vote must be utilized to the utmost. Under the family planning program, the growth rate of ethnic Chinese has dropped. In 1974, there were 3.4 million Chinese, whose number increased by only 400,000 to a little over 3.8 million in 1980. By contrast, the Malay population increased from

4 million in 1974 to 6.3 million in 1980, up by more than 1.5 million. With its small growth rate and its society in disarray, Chinese political strength has become weaker with the passing of time, so that it is possible they will not get any benefits 20 years hence.

Describing the political situation within the Chinese community, Mr Tay likened the major Chinese parties--the MCA /Malaysian Chinese Association/, GERAKAN /Malaysian People's Movement/ and DAP /Democratic Action Party/--to the three warring Chinese states during the latter part of the Han dynasty, quarreling and fighting among themselves, but oblivious to external challenges. Our youths must understand this situation and cope with the prevailing problems with new ideals in order to gradually eradicate the contradiction and dissension within Chinese society.

He said that the three Chinese parties should coordinate with one another and play an active role in the CYSM organization by making it a center for harmony and collaboration. For example, the Penang State CYSM, which is composed of 70 chapters, is led by an officer of the MCA; its secretary is a representative from GERAKAN, and members of DAP also play an active role in the executive committee of the youth movement. The same situation applies to Malacca State. The CYSM accommodates all parties and all factions without qualms, while its trained leaders can give their talents full play in their respective political parties. For instance, Wee Eng Huat of Kedah and Wee See Hua of Negeri Sembilan are doing a good job in their respective states.

Mr Tay added that the three major political parties should coordinate their activities with CYSM's realistic plan in facing external challenges, protect their political, economical, cultural and educational rights, coordinate in national and state assemblies, play an active role in grasping benefits for the Chinese community. Otherwise, they would lose more things like the Chinese in Indonesia where they are deprived of any rights in all fields. This is because the Chinese in Indonesia have no political organization at all.

He appealed to all Chinese in Malaysia to muster their political force to wrest power from the majority, just as the minority Mongolians and Manchus were able to control the numerically-superior Han people and found the Mongolian and Manchu dynasties. Likewise, Napoleon and Hitler were able to make great political achievements, and the Jews, although representing only two percent of the U.S. population, can influence U.S. policy in Israel's favor. These are examples of "unity is strength."

"If the Chinese in Malaysia can unite among themselves," he said, "we can create a prime minister from among us. The problem is whether we have a Napoleon among our group." He also urged the young people to understand the situation and make good use of their time and energy, hold firmly on their ground in dealing with outsiders and avoid bickerings among themselves. The obligation of the CYSM is to cultivate good leaders to bring hope to the unity of Chinese society. He also said that the CYSM was pushing forward a spiritual revolution for a period of 2 years. It is hoped that after 17 years the five major aims of the spiritual revolution will be achieved.

Earlier, some speeches were made by other CYSM officers stressing the important role that should be played by the youth solidarity movement in the society and the nation.

A question and answer period ensued after all the speeches had been given.

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CS0: 4205/11

CHINESE CULTURAL LEADER ON NATIONAL EDUCATION POLICY

Selangor KIN KWOK DAILY NEWS in Chinese 6 Jul 83 p 2

/Text/ A national education policy definitely can promote, but not safeguard, national unity, because it is nothing but a factor and a tool for the promotion of such unity, said Chew Hock Thye, executive director of the Malaysian Chinese Cultural Society and state assemblyman.

Therefore, he said, if the government really wants to mold a multiracial Malaysia with a sense of national consciousness and resilience, it must adopt more just and reasonable administrative policies and principles, so that the entire people feel a sense of belonging, and regard the government and people as their very own.

As general secretary of MCA's /Malaysian Chinese Association/ Youth League and member of MCA's central committee, Chew Hock Thye pointed out that if our politics, education, economy, culture and religion were still measured in terms of national benefits from start to finish, the degree of our national education policy in the promotion of national unity would have to be discounted a great deal. All the more so, because many administrative deviations and unconstitutional phenomena still exist today!

Mr Chou made these remarks in a talk on "The Level of National Unity That Can Be Promoted by a National Education Policy" given at an Orientation Week discussion organized by the Penang College of Science yesterday.

He said that beginning this new academic year all five universities in our country would use the national language as the medium of teaching and examination. This indicates that our national education policy implemented as of 1970 has reached its peak. In another 3 years, all educational institutions throughout the nation will adopt the national language as the medium.

The ultimate goal and highest ideal of a national educational policy is, besides disseminating knowledge and learning and instilling virtues and discipline, to unite the entire people. Such a policy already sprouted in "The Fanggo Report" and "The Razak Report" in the 1950's and "The Dhalip Report" in the 1960's.

He held that there were three problems worth studying: First, why do we need a national education policy?; second, what would be the functions and effects of a national education policy?; and third, is national unity to be achieved through a national educational policy, or are there other factors involved?

To answer the first question, we must go back to the background of our racial history. As everybody knows, the three major nationalities in our country are Malays, Chinese and Indians. Malays constitute 50 percent of the entire population; Chinese about 34 percent; Indians about 10 percent, and other races about 6 percent.

From the viewpoint of ethnology, the Malays and other aborigines as well as the Chinese belong to the yellow race, while the Indians belong to the black race. However, in discussing national unity, such racial division is much less important than the differentiation in languages and education, religious beliefs, and customs and habits.

From the viewpoint of social philology, the languages of Malays and other original inhabitants are all different, and they cannot understand or communicate with one another, for instance, between the Malay dialects of Negeri Sembilan and Kelantan, or between the Kadazan dialect of Sabah and the Iban dialect of Sarawak. In brief, different aborigines and Malays and other tribes all have differing languages, a normal situation caused by the geographical environment of the differing communities in the Malay archipelago.

By the same token, the Chinese and the Indians also have different dialects among themselves. Obviously, if there are more than 100 different dialects in the masses, how are the people going to communicate and cooperate with one another? After some efforts, the government believes that we should adopt Malay as our common language, that is, the so-called national language. The government considers that other languages, such as English, Chinese or Tamil, are not suitable.

So, how can we form a national education policy through the medium of a common language? Of course, besides using the common language as a medium for learning, teaching and testing, a national education policy must also provide common curricula, common institutions of learning and a common administrative system. The government believes that through this nationwide common educational system, content and form, it can reduce the differences and alienation among the people and simultaneously improve the national consciousness, mutual understanding and harmony among them.

If we have understood the background and starting point of the first problem, it is easy to get the answer to the second one. In modern society, practically every country has its own common educational policy, no matter what it is called. This is because each nation must show its people the line and direction they should follow and the ultimate goal and ideal they should strive for.

After 20 to 30 years' efforts, our country is steadily reaching toward the goal of national unity. Children receiving national primary schooling, irrespective of race or tribal group, are now widely communicating with one another in the national language. Those who study in secondary schools and universities are able to master the national language. Government officials, irrespective of race and tribal group, are well versed in the national language. In brief, all young people below 25 years of age understand it thoroughly. Corollarily, after one or two generations, everybody, male and female, old and young, will understand

the national language. Then, through cultural, ideological and social interchanges, our people will become more harmonious, tolerant and united. This is because "language is the soul of a people." Education through a common language will promote common mental attitudes, value concepts, customs and habits and lifestyles.

As regards the third problem, it is relatively difficult to get a definitive answer. The main reason is that education through a common language is merely one method, not the only one, to achieve national unity. At the most, it can only aid national unity, but not safeguard it, because there are many other factors to be taken into consideration.

Facts have shown that in several countries, such as China and Taiwan, South Korea and North Korea, East Germany and West Germany, Pakistan and Bangladesh (formerly East Pakistan), education is carried out through an identical language, yet unification of these pairs of countries is impossible, let alone unity.

On the other hand, in some countries, such as Switzerland, Brazil, Jamaica, Hawaii and Singapore, the educational system uses many different languages, yet the people can live harmoniously.

From this, it may be seen that a one-language educational system is not an absolutely essential tool for national unity, but merely one of the tools. To really achieve national unity, the government must implement its policies by treating the people fairly and reasonably, appreciate the sensibilities and taboos of the various nationalities and, at the same time, avoid the policy of separatism and racial discrimination.

To be more frank, if our politics, education, economy, culture and religion use racial benefits as the starting point and finish line, the national education policy that we pursue to promote national unity will have to be taken with a grain of salt. It is clear that the nonnatives are feeling pressure and dissatisfaction about many government policies, including deviations in the execution of the national education policy. They believe that conformity or pluralism is more suitable than monoism to our multiracial society. On the contrary, the Malays who are running the government believe that assimilation, integration or monoism are the most ideal national aspirations and principles to govern the country.

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CSO: 4205/11

NATURE, STRUCTURE OF MALAYSIAN PEOPLE'S MOVEMENT

Selangor KIN KWOK DAILY NEWS in Chinese 7 Jul 83 p 5

/Text/ Is a leadership crisis brewing in the Malaysian People's Movement
/GERAKAN/? Everybody is most concerned about it.

At the party's 1980 congress in Paterson /phonetic/, Dr Lim Keng Yaik defeated Dr Lim Chong Eu's protege Leong Khee Siong to win the right to leadership of the party. The following year Chen Wing Sum quit the Malaysian Chinese Association /MCA/ and led his followers to join GERAKAN. During this 2-year period, GERAKAN's deputy secretary general, Goh Cheng Teik, vociferously bragged that the party's strength was mounting by leaps and bounds and its membership was increasing by several thousand persons per week.

Strictly speaking, GERAKAN has not made great strides forward in the past 2 years. Although its strength flared briefly when a batch of Chinese teachers joined the party in April 1982, many party members have begun to show their dissatisfaction over their leaders.

Opinions have been heard from within the party circles demanding a change of leadership, particularly from members in GERAKAN's New Plains branch.

As a member of the National Front, GERAKAN cannot win more seats in a general election because of the National Front's existing tradition, a point proven again in the election last year. Only if and when the strength of MCA has weakened can GERAKAN have a chance to gain more seats.

If MCA maintains its present organization and force, GERAKAN's strength will also be restricted thereby, perhaps even to the point of holding onto its political clout in only Penang State.

That's the reality about GERAKAN, but perhaps it is a false impression for certain disgruntled members to assume that only by changing its leadership can the party become strong and powerful.

Surprisingly, those who proposed the leadership change are some former MCA members who joined GERAKAN about 2 years ago, including those in the New Plains branch.

Not long ago, in a speech at Seremban, Lim Keng Yaik charged that certain members were playing cliquism and scheming to wrest away the party's leadership. He must have some reasons for making those charges.

The factions within GERAKAN are very complicated. Members of the defunct People's Coalition Party want to consolidate their strength and control GERAKAN's activities in Penang; those ex-MCA-member followers of Chen Wing Sum have formed their own faction which perpetrated the controversy between GERAKAN's Kedah and Malacca branches; a number of educators and teachers joined GERAKAN for the purpose of "breaking into the National Front and rectifying the National Front." While they have penetrated into the National Front, it is still a moot question whether they can chasten it, as they are not ideologically at one with other members of GERAKAN. Former MCA members who followed Lim Keng Yaik and joined GERAKAN in the early days have formed their own circle and they do not see eye to eye with the Chen Wing Sum clique.

Non-Chinese members of GERAKAN have been displeased by the party's preoccupation with the affairs of the Chinese community during the past 2 years. To allay their displeasure, the party's central committee has deemed it necessary to reiterate GERAKAN's multiracial platform.

Therefore, it may be seen that GERAKAN's structure fundamentally possesses traits of antagonism and contradiction. In the past, under Lim Chong Eu's prestigious leadership, factionalism within the party could be neutralized and solidarity attained.

However, since Dr Lim Keng Yaik took over the party chairmanship in 1980, he has not been able to carry on where Lim Chong Eu left off in the realm of prestige and authority, thereby revealing the party's weakness.

Election of officers of GERAKAN is held once every 4 years. The 1984 election will be a most crucial one, and members elected to the central committee will hold the reins of leadership until 1988. It is during this tenure that the general elections will take place throughout the nation.

Thus it may be said that GERAKAN's election next year will be as important as MCA's re-election scheduled for the same year.

Judging by present indications, GERAKAN's election next year is likely to be a turbulent one.

Penang's Chief Ministry Lim Chong Eu will retire at the end of his term next year, and it is important for the party to look for qualified persons to succeed him. Who will be chosen will be decided during the party's election next year, and not be Lim Chong Eu himself.

It is important that GERAKAN maintain its power in Penang, which forms the party's base and lifeline.

GERAKAN has undergone many changes since its inauguration in 1968. Its founders, including Tan Chee Kin, Ong Kang Boo, Alatas, Tan Pock Ken and Dai Wee, have

quit. Since their withdrawal, the party's character reverted to the mold of the past People's Coalition Party. Then Lim Keng Yaik joined the party, followed by Chen Wing Sum and Que Cheok Tin. In reality, GERAKAN has lost its multiracial appearance.

This party has been pursuing the multiracial line as its platform, believing that political, economical, cultural and educational problems faced by Chinese society must be viewed and tackled from the standpoint of the Malaysian people. This is different from the view of the MCA whose membership is made up of one race, the Chinese.

Based on the real environment of Malaysia, only future historians will be able to judge which line is correct--the multiracial line followed by GERAKAN or the uniracial line followed by MCA.

At any rate, GERAKAN must carry on and find ways and means of gaining better representation within the National Front. Otherwise, it would be totally unfortunate if it should follow in the footsteps of the People's Progressive Party.

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LABOR MINISTER ON PROTECTION OF CHINESE RIGHTS, INTERESTS

Selangor KIN KWOK DAILY NEWS in Chinese 29 Jun 83 p 3

[Text] Labor Minister Datuk Mak Hon Kam stated that we Chinese not only must seek unanimous steps politically to safeguard our rights, but must also cherish our political stronghold. In this way we can make unrelenting efforts to improve ourselves. If our generation cannot put an end to the divergence of views prevailing in the Chinese society, we should at least leave some political base for our next generation. He stressed that under the democratic system, we cannot cut ourselves off from politics. If we try to escape reality or have no urge to make progress, we will eventually be forgotten and eroded by other people, so that we cannot get our due rights or even retain what we have in our hands.

Datuk Mak, concurrently MCA's acting vice president, made these remarks at a 2-day political symposium organized by the Johore state MCA branch held at Merlin Hotel in Johore Baharu.

Datuk Mak said that as a newly-independent nation, Malaysia needed greater reconstruction and development. In the process of fast development, however, many social and interracial rights problems are bound to emerge. Some people feel that they do not get sufficient aid and facilities provided by the government in the latter's implementation of programs and policies; others not only find no way to get government help, but also encounter difficulties, which makes them feel exploited and disgruntled. Therefore, political workers should bear the responsibility of penetrating into the masses to resolve their difficulties.

Minister Datuk Mak Hon Kam continued that it would be unwise for the Chinese to adopt a discouraged, pessimistic attitude toward their dissatisfaction brought about by political development. The Chinese community should brace up and make unrelenting efforts for self-improvement and, furthermore, identify with and accept the leadership of the Malaysian Chinese Association (MCA). Any attempt to turn the back on this uniracial political party would make it impossible for the Chinese society to remedy its disarray and attain unity.

Datuk Mak pointed out that in the 1980's, today, if the political situation of a country under national reconstruction is unsettled, the lives and property of its people cannot be fully guaranteed; not only that, even the social culture and national prestige gained after years of hard work may suffer irreparable damage. As a member party of the government, the MCA has the obligation to help

the government stabilize our political situation, so that our compatriots share the fruits of progress and prosperity with other nationalities. Datuk Mak urged his party members to exercise self-criticism occasionally and make contributions to the ethnic-Chinese citizens and the nation.

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MCA LEADER CALLS FOR RACIAL HARMONY

Selangor KIN KWOK DAILY NEWS in Chinese 5 Jul 83 p 2

/Text/ Dr Datuk Neo Yee Pan, national vice president of the Malaysian Chinese Association /MCA/, stressed that as Malaysia's political situation is complex, leaders of various nationalities must do their utmost to maintain racial harmony, or else a political danger will form gradually to upset the existing political stability.

He warned the people against feeling complacent about the cordial atmosphere among the races. We owe the political stability to the effective governance of national leaders; it does not fall onto our laps from the sky or exist by itself, but must be striven for through mutual help between the government and the people.

In a multiracial country, he opined, the leaders must adopt a racially balanced spirit in seeking ways and means to solve national problems.

Dr Neo, who is also the minister for housing and local government, made these remarks at a banquet commemorating MCA's 34th anniversary sponsored by MCA's Sycamore branch.

He declined to comment when asked about the possibility of merger between his party and the Malaysian People's Movement /GERAKAN/.

He said that MCA was a political party which pursued collective leadership, adding that the views expressed by other leaders in the past few days formed a good representation of the party's reaction on the merger issue. He stressed, however, that MCA would not become a multiracial political party.

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CSO: 4205/11

EDITORIAL SUPPORTS RULE ON ENVIRONMENT

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 4 Jul 83 p 27

[Text] After years of great efforts, the Ministry of Science, Technology and Environment has finally drawn up an order of appraisal on environmental influence. It is expected that this environmental regulation will be put into force in its entirety during Malaysia's Fifth 5-Year Development Plan.

It is most essential to map out the ruling on environment. Rapid industrial development, the astonishing speed in land reclamation and boom in housing construction have all brought about great changes to the living environment of the people. Industrial development has unavoidably brought along air, water and noise pollution; forest land exploitation has also brought the problem of soil erosion, while housing development has tightened the supply of water sources. If these detrimental factors are not regulated and controlled, the lives of the people are sure to be ruined.

For instance, the virgin forest exploitation movement carried out in our country during the past 10 years has caused a serious problem of land erosion. Not only did it change the ecological balance, but also increased greatly the costs for the government to harness irrigation and hydraulic power. What caused more concern was that the more forest area was opened up into agricultural land, the less area became available for water accumulation. Add to this the drastic increase in the demand for drinking water caused by population growth, and we were faced with the mounting serious problem of water sources.

All these facts explain why it is necessary for the Ministry of Science, Technology and Environment to draw up stringent rules on environment to improve our living environment, before the pollution problem seriously endangers the health and lives of the people, and upsets the ecological balance.

According to a report published by the ministry, our environmental problem is mainly caused by the proximity of factories to residential areas. Consequently, the ministry has proposed that the zoning scope of industrial regions be widened. It is proposed that in planning for and deciding on the location of an industrial region, there must be an adequate buffer zone between the projected industrial area and the existing residential area, and, furthermore, this buffer zone must be developed into a green belt in due course.

These proposals are evidently most reasonable. Under the present circumstances, there is no clear demarcation between industrial and residential areas. In some regions, factories and living quarters are merely separated by a narrow stream of water, in others, they even stand side by side or intermingled at random. Thus, the pollution produced by the factories is not only difficult to control but also adversely affects the lives of the dwellers nearby. Due to the bad smell and swirling dust emanating from adjacent factories, the property value of certain residential areas has dropped precipitously.

These problems can be avoided by developing a green belt as a buffer zone between industrial and residential areas, which, in turn, will improve the living environment of the people. In drawing up the regulation on environment, it is important to pay special attention to industries which emit heavily polluted waste matter, such as mints, steel mills, refineries, petroleum-processing plants and cement factories. To minimize their danger to the people's health, a buffer zone of more than 3 kilometers in width should be compulsory for their location.

Of course, while apprising public institutions and private circles of the forthcoming regulation on environment, the government must also intensify the people's knowledge and concern about the problem of pollution. The execution of environmental regulation can attain optimum result only if the people rally around it enthusiastically and cooperate closely.

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CSO: 4205/11

REDUCED GOVERNMENT INTERVENTION IN BUSINESS FORESEEN

Kuala Lumpur BUSINESS TIMES in English 19 Aug 83 p 20

[Text]

THE government's role vis-a-vis in the Malaysian private sector had changed radically — from neutrality in the early days to active intervention until recently.

But the two policy initiatives launched by the Prime Minister, Datuk Seri Dr Mahathir Mohamad — Malaysia Inc. and privatisation, signalled a retreat of government from activities that could be handled by the private sector.

These policies will mean that more opportunities will be left to the private sector. The private sector will on its part have to learn to do without many of the props that were provided by the government, said Intan's director, Encik Mohd Shahari Ahmad Jabar.

Presenting a paper on government support for private enterprises at an Aiesec-organised seminar yesterday, he said that while it would take some time to shift the bulk of the government's commercial operations to the private sector, the policy declaration reflected nevertheless the

government's positive attitude towards the private sector.

"The Malaysia Incorporated concept was an important indication of government support for private enterprise."

Arguing that the privatisation concept came at a timely moment, he said that the previous style of government support had generated a dependency syndrome.

With the privatisation drive, the private sector would have a chance to share some of the 60 per cent of total national expenditure spent by the government, he said.

Encik L.E. Osman, presenting a private sector assessment of the Malaysia Inc. concept, said that a correct attitude was the critical factor in the equation.

The Prime Minister was advocating cooperation and mutual support between the private and public sector in preference to the adversary relationship of old, Encik Osman said.

This called for the creation of a correct attitude, "simple to perceive but requiring tremen-

dous time and effort to attain," he said.

Touching on the attitudes of the public sector, Encik Osman said that uniformed government servants like police and custom officers often became "less than understanding of the views and feelings of everyone else."

"It should be a matter of priority to inculcate in these officers the mental ability to do some role reversal to recall how they might feel when they are at the receiving end, he said.

Encik Osman said that it would take two or more generations to attain complete fulfilment of the change in attitude — where Malaysia was regarded as one big enterprise.

However, he ventured to say that attitudes would begin to change within a year or two — especially the application of these principles to the promotion of exports.

In this respect, he said that Malaysian Industrial Development Authority (Mida) officers were good examples of practitioners of the Malaysia Inc. concept.

PRIME MINISTER URGES INCREASED PRODUCTIVITY

Kuala Lumpur BUSINESS TIMES in English 20 Aug 83 p 10

[Article by Ahmad A. Talib]

[Text]

DATUK Seri Dr Mahathir Mohamad reiterated his call to Malaysians, and the Malay community in particular, to make a sustained and committed effort to improve their productivity and efficiency as their contribution to progress toward a more prosperous Malaysia.

At the same time, the Prime Minister also insisted that the people should rally behind the government to raise their output and tighten their belts to help facilitate the economic recovery.

The recession has adversely affected the demands and prices of Malaysian primary commodities. This has inevitably reduced government revenue. Even though there are some signs of recovery in the industrialised economies, the benefit will not be immediately felt in this country.

Dr Mahathir, who is also the president of Umno, was speaking at the party's annual general assembly in Kuala Lumpur yesterday. His keynote address centred around the economic hardship currently faced by the country, the present political scenario, foreign relations, social problems, assimilation of Islamic values into the administration, the Look East Policy, Malaysian Inc. and privatisation.

He said some countries were facing bankruptcy because of a pile-up of debts. Malaysia, however, was fortunate because

prudent management had avoided unnecessary spending. The government only borrowed to finance infrastructure in the past. Loans were now being taken only for the financing of important projects.

He said: "Not being a spendthrift is good for both the individual and society. It is all right if we spend when we have the money, but we must cut back when faced with a cash squeeze."

He attributed the recession to the laziness of the Western industrial nations. These countries have closed their markets to some Malaysian products to protect their inefficient industries. Another reason was the massive increase in money supply in earlier years which forced them to push interest rates up steeply to combat inflation.

In such a situation, nobody could obtain the necessary capital for investments at a reasonable cost. It was in the circumstances better to save than spend, he said.

The West, he pointed out, had always wanted to reduce the Third World's productivity and income, as demonstrated during colonial times. Since the industrialised countries no longer have empires, they have resorted to using international trade union affiliations to disrupt domestic industries in developing countries.

These organisations

have tried to dissuade local workers from producing their best and improving their efficiency.

That is why we often come across pockets of resistance against government policies such as the Look East Policy, privatisation and Malaysia Inc. The aim of the foreign unions is to prevent countries like Malaysia from competing against them effectively."

He explained to delegates the rationale behind the Look East Policy and the importance of interdependence not only among nations but also among peoples. He advised delegates and the population in general to keep this interdependence in mind since this would promote everyone's interest, not just any particular individual.

Dr Mahathir also urged Malays to consolidate their economic position and not to pass up the opportunities provided by the government to improve their livelihood and standard of living. "The Malays must not make the mistakes made by some Muslims elsewhere who squandered all their wealth because they were disunited."

At the start of his speech, the Prime Minister warned Umno members against back-biting and character assassination among each other. This practice must be avoided at all costs because this would only bring about the party's downfall.

DEPENDENCE ON JAPANESE OIL MARKET TO GROW

Kuala Lumpur BUSINESS TIMES in English 13 Aug 83 p]

[Article by Vong Nyam Ming]

[Text]

MALAYSIA'S dependence on Japan as a market for its oil and gas products will increase when exports of liquefied natural gas (LNG) are stepped up over the next three years.

According to recent figures released by the Department of Statistics, Peninsular Malaysia's earnings from trade with Japan amounted to \$682.3 million, of which \$137.9 million or 20 per cent came from oil and gas.

The heavy dependence on crude oil earnings contributed to the sharp decline in Peninsular Malaysia's revenue from its merchandise exports to Japan over the January to May period.

The major sogo shosha operating in Malaysia, Mitsubishi, Mitsui, and C. Itoh, yesterday told *Business Times* that a glut in the Japanese petroleum market was the main reason for the drop in Peninsular Malaysia's earnings from exports to Japan recorded during the first half of the year.

Exports of LNG to Japan are expected to contribute US\$300 million to Malaysia's coffers this year, the sources said.

This is based on an estimated one million tonne production from the Malaysia Liquefied Natural Gas plant in Bintulu, Sarawak. At the current benchmark price of crude oil, Malaysia's LNG is being sold at about US\$300 a tonne, a Japanese trader said.

By the time the Bintulu LNG plant swings into full production in 1986, its three liquefaction modules will be producing a total of six million tonnes a year, equivalent to US\$1 billion at the current prices.

Malaysia's LNG plant was commissioned in January this year and current production is drawn from one production module, or liquefaction train. The second train was due to be started up in February and the third in June this year.

Sogo shosha sources said that the Japanese offtake of most other Peninsular Malaysian commodities like rubber, timber, palm oil products and tin remained relatively stable.

Peninsular Malaysia's export earnings from trade with Japan in the

first half of the year dropped by 27 per cent to \$682.3 million from \$938.3 million in the same period last year.

Earnings from crude oil in the first half of the year fell 69 per cent to \$137.9 million from \$449.2 million last year. In volume terms, crude oil exports fell 86 per cent to 221,566 tonnes from 659,839 tonnes in the same period last year.

Exports of natural rubber from Peninsular Malaysia to Japan rose 14 per cent to \$45.5 million from \$40.1 million. Volume rose by 3.8 per cent to 19,540 tonnes from 18,825 tonnes.

Tin exports to Japan over the first half of the year slid six per cent to \$179 million from \$190 million although volume increased by 0.6 per cent. The chief tin buyers, Mitsui and Mitsubishi, said that less Penang tin was bought because tin was cheaper in London.

Total Malaysian revenue from trade with Japan is likely to experience even greater cyclical fluctuations when oil and gas exports to that country peak in 1986, analysts commented.

MALACCA REFINERY CONSTRUCTION DEFERRED

Kuala Lumpur BUSINESS TIMES in English 19 Aug 83 p 1

[Text]

THE Malacca refinery will be implemented as soon as the country's resources improve. Datuk Dr James Ongkili says the government has no choice, because of current constraints, except to reschedule the proposed refinery.

Speaking to reporters after opening a seminar in Kuala Lumpur yesterday, the Minister in the Prime Minister's Department said that the estimated cost of the refinery was now \$3 billion.

With the world facing an economic slowdown and domestic revenue sources being tight, it was prudent to reschedule the refinery.

In 1980, the cost of the refinery — at its original capacity of 100,000 barrels a day — was put at just over \$2 billion. Last year it was revised to \$3 billion and now it is estimated to cost \$5 billion.

Datuk Ongkili said that the country needed the Malacca refinery as the present refining capacity of the four refineries on stream in the country would only be able to meet the domestic demand for refined petroleum products until 1985.

Last year, the Esso Port Dickson refinery processed over 10,230 barrels of crude a day, the Shell Port Dickson refinery over 26,700 barrels a day and the Shell Labong refinery 15,500 barrels a day.

The Petronas refinery at Kertih, Terengganu has the capacity to process 30,000 barrels of

crude a day.

The Malacca refinery will have a capacity to refine 120,000 barrels of crude a day and as such would be the largest in the country.

Datuk Ongkili said plans for the refinery would proceed as soon as there was an economic recovery. In fact, some of the initial works had been under way before the government decided to reschedule the project. The ground levelling was almost completed.

When its adoption was officially announced by the former Prime Minister, Tun Hussein Onn, in Parliament in October 1980, the refinery project was targeted to come on stream in 1985. But the 1982-1983 Treasury Report says the refinery would be operational in 1987-1988.

The refinery was estimated to provide jobs for about 3,000 skilled and semi-skilled workers while 800 others, including engineers, technicians and operators, would be needed to run it later.

In addition, the refinery was expected to give rise to supporting industries such as servicing, maintenance and minor engineering facilities. Small businessmen, especially those situated near the construction site, at Tangga Batu next to the Tanjung Kling industrial estate, were also expected to benefit from opportunities to supply goods and services to the refinery and its workers.

ARTICLE EXAMINES TIN SMUGGLING PROBLEM

Kuala Lumpur BUSINESS TIMES in English 16 Aug 83 p 19

[Article by A. Kadir Jasin]

[Text]

SMUGGLING has always been a feature of the tin mining industry in Malaysia and elsewhere. The industry and the government generally share the same view that this, like all other types of smuggling, is harmful to the legitimate trade and the country at large.

But the degree of concern varies with time and circumstances. At a time when the industry and the economy are in a strong position, both the authorities and the mining industry are inclined to turn a blind eye to the problem because it can be dismissed as unimportant.

In bad times like today's, smuggling has serious implications for both the industry and the government. This explains the number of voices warning that something drastic must be done to curb the practice.

The recent visit to South-East Asian tin producing countries by International Tin Council's assistant buffer stock manager, Mr Bernard Engel, was another manifestation of the heightened concern.

Mr Engel was not expected to achieve much beyond reminding tin

producing countries of the need to curb the smugglers. ITC itself has neither the power nor the ability to stamp out smuggling.

Any progress in dealing with the menace depends almost entirely on the action of individual producing countries. As past experience shows, the problem is deeper and far more complex than is apparent on the surface.

For several reasons, Malaysia occupies a unique and difficult position in the task of stamping out smuggling. Being the largest producer, Malaysia has a special responsibility of ensuring that whatever effect smuggling might have on the industry is kept to the minimum.

International smuggling of tin concentrates is so very well developed that smuggled tin — including that originating in Malaysia itself — often enters Penang, an important smelting centre in the region, with seemingly bona fide documents of origin. In addition to such ore of dubious origin, Penang smelters also receive legitimately imported concentrates from Burma, Laos and Australia.

While the mining people in general agree that efforts must be taken to stop smuggling, they are quick to warn that this must be done in a manner that does not jeopardise the industry's well-being.

They recall an attempt in 1973 by the government to stamp out smuggling by imposing restrictions on the imports of concentrates from a number of countries of origin. Malaysian smelters were allowed to import only concentrates bearing the certificates of origin issued by the exporting countries.

It was hoped that by insisting on certificates of origin, the importation of concentrates of questionable sources would be stopped. This in turn would discourage the smuggling of Malaysian ore.

What the government did not anticipate was the ingenuity and resourcefulness of the people involved in the activity. Since they controlled a fairly sizeable supply of concentrates, they succeeded in persuading some Singapore businessmen to establish a smelter in the Republic. The supply of ore proved so large and steady that a second smelter was later set up.

Major problem

With the establishment of the smelter, smuggling activities in Malaysia picked up momentum as the costs and risks became substantially lower. The two Singapore smelters, which are legal entities, have a combined annual capacity of about 12,000 tonnes. Only one smelter is presently working due to shortage of ore.

The Singapore smelters have been so successful that, by end of 1981, a secondary tin market began to take shape in the Republic. This is posing a major problem to the Penang market because Singapore tin is normally sold at a discount.

Singapore's position was strengthened when the London Metal Exchange accepted the smelted metal as of a registered brand, thereby enabling the tin to be directly disposed on the London terminal market. Singapore tin carries the brand name, Kismet.

It is learnt that Singapore tin was being offered to international merchants on FOB Singapore basis at a discount to the Penang price of up to \$1,000 per tonne, hence undermining the Penang market.

It is understood that if not for stern objections raised by a Malaysian party, believed to be Malaysia Mining Corporation, the LME would have allowed a licensed warehouse to be set up in Singapore by a Dutch warehousing company, Hoogerwerf of Rotterdam. Should this have happened, Singapore's position would have been further enhanced at the expense of Penang.

An authoritative tin industry source told *Business Times* that a Singapore smelter played a crucial role in helping short-sellers meet their forward deliveries at a time when the so-called mystery buyer was active on the London tin market in 1981.

The source pointed out that the action of the Singapore smelter was partially responsible for nullifying the market-boosting impact of the mystery buying.

What followed the 1973 curbs was that while the Treasury continues to be deprived of substantial revenue (an estimated 3,000 tonnes of ore are still being smuggled out of the country annually), the country was not able to gain the value-added by smelting the smuggled ore which would otherwise have re-entered the country the round-about way.

Additionally, smuggled Malaysian tin concentrates are keeping Singapore tin smelting going.

Even while acknowledging that smuggling is harmful, Malaysia has a difficult choice to make. It can allow

concentrates from unidentified origins to be imported by the smelters, and in the process gain some control over the metal, or continue to adopt the a holler than thou attitude and suffer its consequences.

As a miner pointed out, it was ironic that Malaysia should bestow upon itself the role of international policeman against tin smuggling when other producing countries are doing little to curb the practice. In Thailand, illegal mining, the main source of smuggled ore, is big business.

Poor understanding

As for the ITC buffer stock manager's argument that the importation of foreign ore for smelting in Penang is undermining his efforts to support the price, the source said such an argument reflected his lack of market perception and poor understanding of the smuggling problem in South-East Asia.

Penang smelters say that tin metal derived from foreign ore has never been offered on the Penang market. The imported concentrates are invariably smelted under toll arrangements and re-exported by the importers.

In other words, tin offered on the Penang market, including to the BSM, comprises metal eminently admissible under the tin export control. More likely than not, tin from imported ore would be offered in London, where the BSM also operates.

It is odd however that the ITC objection to concentrates imports by Penang smelters is supported by a section of the Malaysian tin mining community, although the reasons are different.

(The All-Malaya Chinese Chamber of Mines, representing generally the small gravel pump miners, has claimed that the importation of tin concentrates is against the interest of producers. This view is apparently shared by Primary Industries Ministry).

If the government is serious about starting the battle against tin smuggling all over again, new ways and means must be found to get the better of this illicit trade. Obviously, arresting truck drivers and throwing them into jail for smuggling is not much of a deterrent.

As one mining company executive said, this was so because the return from tin smuggling was so lucrative that the cost of supporting a few ill-paid truck drivers while they serve time can be easily borne by the real people behind the racket. They are not the truck drivers but experienced operators.

With the imposition of tin export control, smuggling takes on a new dimension. Constrained by export quota,

some errant miners, mostly the independent ones, are inclined to resort to smuggling to maintain their revenue.

With tin export quotas issued to numerous miners in the various categories — dredge miners, gravel pump miners and dulang washers — it is almost impossible to monitor their activities adequately. There are something like 15,000 licensed dulang washers with a combined quota of 3,000 tonnes in the present quarter.

Admittedly, selling of quotas is rampant although this is illegal. Miners are supposed to surrender their unutilised quotas to a pool so that others could make use of them. But this does not normally happen.

One way of instilling discipline in the industry is to reduce the number of operators. This is already happening with an increasing number of small marginal mines going out of production. Unless the government decides to intervene, this natural reduction of miners will continue. Current indications suggest that the government may not intervene to halt this attrition.

Taking into account the diverse domestic political opinions concerning the tin mining industry and Malaysia's role as the leading producer, renewed efforts must be made to stamp out smuggling. But this has to be done with the cooperation of other producers, bearing in mind that Malaysia's holier than thou attitude in the past had not worked to the advantage of the domestic tin industry.

CSO: 4200/862

INDEPENDENCE LEADER MEETS NEW ZEALAND PRIME MINISTER

Wellington THE EVENING POST in English 10 Aug 83 p 20

[Text]

A New Caledonia independence seeker whom the Prime Minister, Mr Muldoon, refused to see last year spent an hour with him yesterday.

Later he went on to spend 45 minutes with the Minister of Foreign Affairs, Mr Cooper, as well as meeting the Leader of the Opposition, Mr Lange, and the Leader of the Social Credit Party, Mr Beetham.

He is Mr Yann Celene Uregei, leader of one of the five parties which make up the Independent Front in New Caledonia.

Last year, at the South Pacific Forum in Rotorua, Mr Muldoon refused to meet Mr Uregei.

Yesterday Mr Uregei could not explain why the Prime Minister had had a change of heart.

"Let's just say there's been progress at that level."

He had been seeking an appointment with Mr Muldoon since 1979 and was glad to finally meet him.

Mr Muldoon told reporters he could not recall the circumstances of his refusal last year.

Mr Uregei is seeking New

Zealand support, while on a tour of all forum countries before they meet in Canberra this month, on a Vanuatu resolution which would have New Caledonia placed on the list of non-self-governing territories.

If successful, that would put the nation under the purview of the United Nations Committee of 24, or committee on decolonisation, and would allow that committee to annually monitor progress of decolonisation by France.

But Mr Uregei was told by Mr Muldoon that while New Zealand supports independence for New Caledonia, placing it on the list of non-self-governing territories could antagonise the Socialist Government of France at a time when reforms were taking place.

Mr Uregei said the Independent Front was better placed than the New Zealand Government to judge the politics of the French Government, because it was

working with the Socialist regime both in the territorial assembly of New Caledonia and in the council of government.

He said he expected "important support" for the Vanuatu resolution at the forum meeting on August 29-30.

Speaking after the meeting, Mr Muldoon said he had told his visitor that he did not believe putting New Caledonia on the list would do other than antagonise the French Government. It would produce no advantage to the independence movement.

"He wishes the forum to give its support to that move and I've told him he'll not have New Zealand support because it's not going to be productive."

"However, I have also told him that New Zealand supports independence for New Caledonia at the earliest possible moment, but under an acceptable constitution."

OBLIGATIONS EXAMINED IN WAKE OF 'TEXAS' VISIT

Auckland THE NEW ZEALAND HERALD in English 9 Aug 83 p 16

[Text] **One of the major outcomes of the visit of the USS Texas has been the Government admission that the Anzus treaty did not compel New Zealand to accept visits by nuclear-powered, and possibly nuclear-armed, American warships.**

That admission came after some pointed debating by the Government backbencher Marilyn Waring at the National Party conference last month.

Her reasoning gave rise to conjecture that perhaps New Zealand could, if it so wished, remain a member of Anzus but not have to play host to nuclear weapons.

If New Zealand did so, it would not be the first country to be in an alliance with the United States while banning nuclear weapons.

Denmark, for instance, is a member of Nato, the West's main defence alliance. But it also has a policy, "always respected by Danish allies," of not admitting nuclear weapons on Danish territory in times of peace.

Prospect

A Danish Embassy spokesman in Canberra asked to spell out his country's policy, also said: "Foreign powers are consistent with the Danish policy in this field and Denmark expects this policy to be respected by ships entering Danish territorial waters."

Norway, another Nato member, has a similar policy although it is understood that vessels with nuclear arms have, from time to time, been at Norwegian ports.

It does not totally rule out the prospect of ships with nuclear arms visiting Norway, but "for other reasons the Government's policy is that this should be avoided."

Neither country has made it plain how it knows which American ships are carrying nuclear weapons. The United States policy is not to say if particular ships are carrying nuclear weapons.

Peace Zone

After Marilyn Waring's assertions at the National Party conference, the chairman of Parliament's disarmament and arms control select committee, Mr D. L. Kidd, suggested a "middle ground" proposal affecting New Zealand's stance on ships visiting here while (possibly) carrying nuclear weapons.

His proposition would need the agreement of all the nuclear powers not to launch nuclear weapons from or into a South

Pacific nuclear peace zone.

South Pacific states would sign a treaty with the nuclear powers acknowledging the reality of nuclear propulsion. But the treaty would also require that an undertaking be given to host states that any nuclear weapons carried by a visiting ship would be completely and effectively disarmed during peaceful short-term visits.

But the idea was dismissed by the head of the Strategic and Defence Studies Centre, Dr T. B. Millar, in Canberra yesterday.

No Doubt

The Australian Centre is part of the Australian National University and Dr Millar said the idea seemed to say: "We do not want to know if you do have nuclear weapons on board. We just want to know that they are all right."

"In any case, I have no doubt that those sort of weapons are in that sort of state when American ships visit ports at present," he said.

"None of these weapons can be fired immediately and they do not cruise

around with their finger half on the trigger."

He was critical of attempts to force both the Australian and New Zealand Governments to "rewrite" Anzus to ban nuclear weapons.

Whole Point

"A treaty such as Anzus is all about relationships and the psychology of relationships," he said. The treaty itself was "loose." It did not define things like nuclear weapons and visits by nuclear ships.

"The whole point about Anzus is that it gives a sense of security. It says that if we get into trouble, and things get that bad, then the Americans will come and bail us out."

Many people felt that it was not right to ask the Americans for protection and then to turn around and say: "We do not want your nasty nukes here," he said.

So why did United States warships come to New Zealand?

Bad Trouble

"Their visits represent United States support for Anzus," he said. "They have not got any military need to deploy down here."

"It is part of the whole politics of the situation. The Americans show what they possibly could do if they had to. That worries some people, but it reassures others."

"I cannot speak for New Zealand, but if there ever is bad trouble we in Australia will get it before New Zealand."

"A lot of Australians are comforted by the United States presence. Certainly, the majority of both major parties are really strongly in favour of Anzus because

they know that in a crunch situation we will need the Americans."

But could New Zealand, with little or no importance from a military point of view, be like Denmark and ban nuclear weapons?

"Denmark is in a different position to New Zealand or Australia. There are plenty of other Nato countries around to offer American ships replenishment and rest and recreation," said Dr Millar. "There is nowhere else down here."

"In any case, Denmark is part of Nato arrangements in an emergency so that nuclear weapons can come into Denmark."

But if United States ships did not really need to come here, then surely New Zealand could do without nuclear weapons being brought here?

"Is that the way to run a treaty?" Said Dr Millar. "You say 'There is no military need for you to be here so please get away. We will call if we need you.'"

Missiles

He rejected the peace movement contention that nuclear-armed warships in New Zealand ports made those ports nuclear targets.

Most vessels probably did not have nuclear arms and certainly not the long-range intercontinental ballistic missile type.

"So they are not going to be sitting in New Zealand ports firing off nuclear weapons," said Dr Millar. "As far as I know there is no United States surface ship which carries weapons that could be used against the Soviet Union from anywhere near the South Pacific."

TRADE INCREASE WITH HUNGARY NOTED

Wellington THE EVENING POST in English 1 Aug 83 p 4

[Article by Dave MacIntyre]

[Text] **EXPORTS TO Hungary** have shot up fourfold in the last three years, as a result of the Government's insistence that the Hungarians "buy Kiwi" in return for our purchase of their trains.

A major reason for the Government's decision to spend \$33 million on 44 multiple units for Wellington's main commuter lines in 1979 was the trade deal the Hungarians were willing to offer in return.

The intent to seek a good deal to offset the cost of the train purchase was such that the Government decided to accept the offer from Hungary, although the then Railways Department was believed to have preferred a Japanese tender.

Silent

Questions posed to Railways and Treasury under the Official Information Act, seeking to confirm that the Ganz-Mavag units were not Railways' first choice, have not been answered.

Both Railways and Treasury quoted various clauses of the act, mainly those relating to commercial confidentiality and free and frank exchange of views with ministers, as reasons for not divulging the information.

However, questions posed to Trade and Industry have revealed how the offset trade deal is working — and apparently New Zealand is doing very well out of it.

Under the terms of the

agreement, Hungary has to buy \$US16 million (about \$NZ31.5 million on current rates of exchange) of New Zealand goods and services between June 1979 and December 31, 1980.

All this must be new trade — in other words, if Hungary was going to buy our products anyway, such "normal" purchases would not be counted in terms of the offset trade agreement.

The way that Trade and Industry worked this out was to establish that on an ordinary basis, Hungary could be expected to take \$US11.6 million worth of our goods during the 11½ years of the agreement.

Added to the \$US16 million of new sales, this means that in 11½ years the Hungarians would have to buy \$US27.6 million worth of products and services. This averages out at about \$US2.4 million total exports a year.

One other major clause was inserted by New Zealand. The Hungarians are meant to take a spread of products, not just wool, so the agreement says that no more than 75 percent of the \$US16 million of new trade should be unprocessed wool purchases.

According to Government statistics up to June 30 last

year, the net result of the deal has been to send exports to Hungary soaring.

In the 1977/78 year NZ sold only \$NZ498,000 worth of goods, and in 1978/79 this increased to \$NZ728,000. Beyond wool and seeds the Hungarians had little interest in anything else.

Since then, the figures for the three subsequent years, expressed in New Zealand dollars, are \$3.94 million, \$2.13 million and \$2.79 million in 1981-82.

Wool and seeds have increased in importance, but the Hungarians have also bought hides and skins, textiles and clothing, milking machinery, breeding sheep, animal ear tags, pharmaceutical products, hand tools, rolling stock parts and even felt tipped pens.

According to Trade and Industry officers, the department is happy with the way the Hungarians are meeting their side of the agreement.

The department also believes that the offset trade agreement has stabilised New Zealand trade with Hungary at a time when our exports there could have been expected to almost disappear, given the economic pressures being faced by Eastern bloc countries.

EEC FARM PROPOSALS ON BUTTER, LAMB UNVEILED

Wellington THE EVENING POST in English 30 Jul 83 p 1

[Article by Derek Round]

[Text] LONDON, July 29--There was reasonably good news on New Zealand butter and not such good news on lamb in the EEC Commission's farm proposals unveiled in Brussels today.

The commission accepts a continued place for butter imports, but proposes negotiations to cut lamb imports under the voluntary restraint arrangements and introduce a minimum import price.

There is no hint of the likely butter quota for 1984 but the commission says proposals will be presented to the agriculture council shortly.

These are likely to be known in September and discussed by agriculture ministers at their October meeting.

The package of reforms announced by commission president Mr Gaston Thorn is aimed at hauling the EEC from the brink of bankruptcy by slashing farm subsidies and curbing food imports.

He called for a punitive "supertax" to stop soaring milk production, lower subsidies for meat, cereals and oilseeds producers and tight controls on annual farm price rises.

Impossible

"It is impossible to continue giving unlimited guarantees for unlimited quantities of food when we cannot sell it either at home or abroad," Mr Thorn declared.

The proposed measures would cut between 2.25 and 2.9 billion dollars off what the EEC would otherwise spend on subsidies over the next three years, Agriculture Commissioner Poul Dalsager said.

On New Zealand butter, the commission's report says: "The commission has examined the question of imports of New Zealand butter for which the special arrangements expire at the end of 1983.

"Bearing in mind the trend in butter consumption, specially on the United Kingdom market, a reduction in the import quantities could be envisaged.

"However, although this would permit additional disposal of community butter on the community market the imported butter thus displaced would enter into competition with community butter on the world market.

"The community has to take account of the overall balance of economic and commercial interest which it has in continuing such an arrangement with New Zealand which is a major supplier of the world market for dairy products.

"Since the level of world dairy prices has a direct impact on the community budget, co-operation for the stabilisation of prices in this sector can be of mutual benefit.

"If the advantages to be gained by the community from this co-operation balance the costs of these special imports, the arrangements for imports of New Zealand butter should be continued."

The Minister of Overseas Trade, Mr Cooper, when he was in Brussels and other EEC capitals last month, argued for the butter quota to be continued at around this year's 87,000 tonnes, which he said New Zealand regarded as the bare minimum.

Two Stages

The commission, in its package announced today, proposes the elimination of butter subsidies in two stages, although no time scale is given.

On sheepmeat, the EEC Commission report says: "The commission considers that there should be an examination of the possibility of negotiation of a reduction in the quantities to be imported in the framework of the voluntary restraint arrangements with third countries, and at the same time the introduction of a minimum import price.

Stronger

"Such an adaption could lead to a reduction of community expenditure in this sector as a result of the strengthening of the market price while maintaining the receipts enjoyed on the community market by third country suppliers."

Mr Cooper said during his European visit that New Zealand would resist any move to cut the present 245,500 tonnes level for sheepmeat imports under the voluntary restraint arrangements.

CSO: 4200/866

BRIEFS

'CAUTIOUS OPTIMISM' ON ECONOMY--Papua New Guinea's Finance Minister, Mr. Bouraga, has said the economic outlook for the country in the next 18 months is one of cautious optimism. He told Parliament that things were getting better but only slowly. Mr. Bouraga said Papua New Guinea's balance of payments has steadied after restraint in government and private spending. He said that he now expected a reasonable improvement in the balance of payments which would lift foreign currency reserves comfortably above danger levels. Mr. Bouraga said the government expected higher inflation due to a devaluation in March. However, he said this would be offset by a reduction in real wages which would make industry more competitive. He also predicted increased business activity especially in the Islands and Highland Regions because of rising commodity prices. [Honiara SOLOMON STAR in English 19 Aug 83 p 8]

CSO: 4200/867

ECONOMIC GROWTH PROSPECTS BETTER THAN EXPECTED

Kuala Lumpur BUSINESS TIMES in English 15 Aug 83 p 1

[Text]

SINGAPORE, Aug. 14
SINGAPORE'S economy is expected to grow by six to seven per cent this year, much more than had been predicted earlier, Prime Minister Mr Lee Kuan Yew said today.

However, Mr Lee told a rally to mark the island republic's 18th National Day, his forecast was based on the assumption that the US would continue its economic recovery.

Singapore's growth of 6.3 per cent last year was its lowest since 1974 and Mr Lee had predicted earlier it might drop below four per cent in 1983.

But he said Singapore's performance in the first half of this year had been more than fair with 5.8 per cent growth, compared to 6.9 per cent in

the same period last year.

"If the American recovery continues we may achieve real growth for 1983 of six to seven per cent... so on our 18th National Day we have cause for relief and congratulations," he said.

Mr Lee said that in the first half manufacturing, external trade and tourism all showed marked declines compared to the same period last year.

But the country maintained its growth by boosting the building industry and banking and financial services, he added.

He said Singapore's continued growth was the result of years of hard work to establish international confidence in "our stability, discipline, efficiency and security." —

CSO: 4200/863

THAILAND

'SOURCES' NOTE REASONS FOR PREM SOUTH ASIA TRIP

Bangkok LAK THAI in Thai 28 Jul 83 pp 9-11

[Article: "Prem's Tour of the Subcontinent: Hopes for Great Results From Small Investment"]

[Text] Concerning the political situation from now until the end of August under the fourth government of the unmarried former general who likes to say "it depends," political observers who have constantly followed General Prem have pointed out that "there is nothing to be worried about." And no questions were raised when plans were made for General Prem to make a trip abroad this August in accord with recommendations made by political advisors. First, concerning the results of the clash between the forces of the opposition parties and the forces of the government in the no-confidence debate over Mr Samak Sunthonwet, the minister of communications, this took place--using the players in the parliamentary game--without having to issue a resolution of no-confidence since it was feared that the members of the government coalition parties would use political irregularities to create splits in this four-party coalition government. A news source in the Government House said that the person who played an important role in this was none other than Deputy Prime Minister Prachuap Suntharangkun, a "friend" of General Prem. Second, toward the end of August, General Prem may have a new headache in his capacity as the minister of defense since it will be time for the annual promotion of military officers. And the 1984 budget must pass the House of Representatives. During that period, the internal political activities will probably make it impossible for outside diplomatic circles to take any action. But nothing is as important as preparing for the discussions with President Reagan, who will visit Bangkok this November.

General Prem's trip to South Asia during the period 4-10 August is considered to be a "short tour." The internal political situation is stable. Concerning this trip to Nepal, Pakistan and Bangladesh, this trip is expected to "cost little but gain a lot," as a news source in the Government House commented to LAK THAI.

"At present, there is no concern about the internal situation. General Athit, the RTA CINC, went to Australia and even had time to stop off at Singapore. General Saiyut went to Hawaii and returned just recently. Chiefs of staff Rien and Pramot are preparing to go to the United States," said a military news source of LAK THAI. He said that militarily, there is nothing to worry about. And the fact that General Prem is leaving on a tour of South Asia shows how much internal politics has quieted down. This was confirmed by a high-level news source in government-house political circles. He said that "at present, I do not have to keep running here and there. Things are quiet. I hope things stay like this for awhile so I don't have to work so hard."

Concerning this trip by General Prem to the three South Asian countries, the composition of his party is basically the same as before. That is, the work team from the government sector places emphasis on three ministers--the minister of foreign affairs, who is presently on a trip to Europe, the minister of commerce and the minister of agriculture. These will be accompanied by a number of deputy ministers and General Prem.

In making this trip, besides going in his capacity as prime minister, he is also going in his capacity as the minister of defense. But the tasks may be shared with Air Chief Marshal Phanieng Kantarat, the deputy minister of defense, who is a close friend. He will be the one who conducts the negotiations. At the same time, the private-sector team will be composed of 15 people from the Thai Chamber of Commerce, the Industry Association and the Thai Bankers' Association. This is in accord with the plan to organize "political forces supplemented with economic forces" as put forward by General Prem when he first took office and made an attempt to stress having the private sector play a greater role. Later on, this was expanded to include holding an economic ministers conference and joint government-private sector conference.

One thing that is different from his previous trips to the United States, Europe, Japan and South Korea is that, on this trip to South Asia, General Prem has invited a large number of newspaper reporters to accompany him. It is said that he has invited reporters from at least 16-17 newspapers and that he will pay their air fares, although they must pay for their room and board. This will definitely "advertise" the government of General Prem in a much broader way than ever before.

"His main targets on this trip are Pakistan and Bangladesh," said a news source in the Ministry of Foreign Affairs to LAK THAI. He also pointed out that the trip to Nepal is being made because Thai and Nepalese leaders have good relations. Men of importance in Nepal, particularly King Birendra, have visited Thailand. And members of the royal family regularly come to the Samitiwet and Sirirat hospitals for medical treatment. "I don't think there is any other reason. They probably invited Phra Thep to come visit Nepal as a royal guest. There is probably no rush since Phra Thep is preparing to visit Japan," added the news source. He stressed that it will probably be possible to expand trade with Nepal.

"Nepal is a landlocked country just like Laos. We can probably expand trade with them. The visit by our prime minister will add weight to the negotiations," said a private-sector news source about General Prem's trip to Nepal.

However, the important thing is the visit to Pakistan and Bangladesh. It is known that both Pakistan and Bangladesh have constantly given strong support to Thailand and ASEAN. Also, the leaders of Pakistan and Bangladesh once visited Bangkok and invited Thai leaders to come visit them if they ever had an opportunity in order to strengthen relations. "The Kampuchean matter will probably be discussed. But we have a clear position, and they are ready to support us. I do not think that there will be any problems concerning this matter. As for Pakistan, we exchange much information with each other. They are a front-line country that must deal with the Soviets in Afghanistan, just like we have to in Kampuchea. By exchanging information with Pakistan, we will benefit greatly in the future." Concerning the economic problems that will be discussed, the problem is that we all sell the same types of goods.

"Pakistan exports rice, corn, Kenaf and jute just like us. We would like to discuss matters with them to see if we cannot cooperate and thus keep from having to cut prices in competing with each other. As for the matter of how much markets can be expanded, their officials have probably made preparations to fit the time limits and the ranks of the officials with whom there will be negotiations," said the news source. He pointed out that the matter of Afghani and Kampuchean refugees will probably be discussed. If Pakistan wants us to support them politically in the United Nations or at some other international conference, it is believed that we are ready to give them our full support.

At the same time, a military news source told LAX THAI that as front-line countries, it is essential that we cooperate with each other in exchanging information and in helping each other militarily. "Thailand and Pakistan have similar problems. I have heard that the United States is trying to get Thailand, Pakistan and South Korea to form a closer military relationship. In the future, there will probably be greater military cooperation between us," said the news source at one point. At the same time, the private sector is making a great effort to reach a fishing agreement with Pakistan since its territorial waters have abundant marine life. And at present, Thai fishing fleets work as far afield as the Red Sea. If an agreement can be reached with Pakistan on fishing in their waters, this will benefit both sides.

While the trip to Pakistan is aimed at promoting mutual cooperation, the purpose of General Prem's trip to Bangladesh seems to be to solve long-standing problems, particularly the problem of reaching an agreement on fishing in the Bay of Bengal. "We made them angry during the time that Mr Chieu Kokphon took boats to fish in the Bay of Bengal. The profits were shared with them. But the agreement was suddenly revoked unilaterally. They did not like us being there," said a news source in the Department

of Fisheries about events in the past when we caused problem for Bangladesh. And this time, to prevent something happening that would affect relations, the government sent an advance party of officials to discuss a fishing agreement. General Prem must now negotiate the final terms of the agreement with General Ershad, the leader of Bangladesh. "This fishing matter is an important matter. The Fishing Association sent its president to negotiate with them first. As for the private sector, it is understood that, in the agricultural industry, our canned pineapple and canned food groups are trying to expand their markets into Bangladesh since our prices are lower than those of other countries," said a news source in K.R.O. to LAK THAI. "All three of these countries are poorer and less developed than Thailand. And they are trade rivals. There will not be much expansion. The government sector will probably score greater results," said the same news source.

Even though people have observed that General Prem's trip to South Asia can be compared to "investing little in the hope of gaining a lot," there is another interesting observation and that is that this is an offensive in Moslem countries. It is hoped that this will help pave the way for General Prem's trip to the Middle East, which is presently being obstructed by Saudi Arabia's lack of interest in receiving him. This trip might become a reality if the request is passed on by Pakistan and Bangladesh, which are Moslem countries, too.

11943
CSO: 4207/152

THAILAND

KRIANGSAK VISIT TO LAOS ANALYZED

Bangkok LAK THAI in Thai 18 Aug 83 pp 11, 12

[Article: "Kriangsak Tours Laos, a High-Level Game of the Eagle of Bang Khen"]

[Text] At a time when General Prem Tinsulanon was leading a "large" group of officials, including both government officials and private individuals, on a visit to three South Asian countries--Nepal, Pakistan and Bangladesh--with the principal focus being economic matters and the Kampuchean problem, former prime minister Kriangsak Chamanan, who is involved in political and diplomatic matters in his capacity as the chairman of the Foreign Affairs Subcommittee of the House of Representatives, led a group on a tour of Laos, with the focus of the trip being the same.

"We will discuss three problems with them, that is, political problems, economic problems and the matter of Lao refugees," said Dr Phaithun Khruakaew, an MP from Lampang who is the secretary of the Foreign Affairs Subcommittee, to reporters before leaving to visit Vientiane and Luang Prabang. He said that, "concerning the political problems, we will discuss the Kampuchean matter with them, particularly the confrontation between ASEAN and Indochina. We want to get their views."

However, many observers feel that General Kriangsak's visit to Laos will, if nothing happens to prevent it, be followed by a visit to Vietnam and Kampuchea at the end of this year, which will be preceded by a visit to ASEAN in the same capacity.

"The ministry has no objections to his visiting Laos. We want relations to improve. The only thing is that Minister Sitthi has told General Kriangsak that this is not the right time to visit Vietnam since Vietnam might think that we are softening our position," said a news source in the Ministry of Foreign Affairs to LAK THAI. At the same time, there have been unofficial reports that before Air Chief Marshal Sitthi Sawetsila left on the trip to South Asia with General Prem, he had an intimate talk with General Kriangsak in his capacity as a former boss of his and as the minister of foreign affairs, who is responsible for conducting the political and diplomatic game concerning the Kampuchean problem.

Following the political and diplomatic maneuvers of General Kriangsak, it can be seen that his policy toward Vietnam, or Indochina, is more compromising than that of General Prem. And this is why General Kriangsak cannot be overlooked. It is not because he is the chairman of the Foreign Affairs Subcommittee but because he is a former prime minister and a person who knows how the game is played. "Both the Soviets and the Vietnamese feel that General Kriangsak is a person whom they must cultivate since the government is not united," said another news source to LAK THAI. He also pointed out that General Kriangsak is the only prime minister ever to have visited the Soviet Union. And concerning his bargaining with Deng Xiaoping, the leader of China, it is known that this resulted in the Communist Party of Thailand growing weaker since the aid provided by China decreased. Also, China closed the Voice of the People of Thailand radio in 1980. "Mr Kriangsak often held private talks with the leaders of the socialist groups. Thus, few people know what was said. This is why General Kriangsak has been able to make points in national political circles," said the news source.

During the trip to the Lao People's Democratic Republic, the initial news reports issued made it seem that reporters would accompany the group to file reports just like those accompanying General Prem. But the Lao embassy claimed that it could not receive them and so it refused to issue entry visas. But concerning the fact that General Kriangsak's group postponed the trip to Laos from 1 August to 4 August, which was the day that General Prem left to visit the three South Asian countries, a news source said that "we asked that the trip be postponed. But I don't know if this had anything to do with General Prem or not." Some observers have made the interesting observation that not only does General Kriangsak's trip to Laos go against the policy of the government, of which he is a member, but it amounts to "doubling" General Prem, especially on the Kampuchean problem.

"He is playing too many roles. He is a member of the fourth Prem government. I don't want to make a guess about whether this is an internal political matter or not," said the news source to LAK THAI. However, General Kriangsak's trip to Laos was not "followed" very closely by the sections concerned in the Ministry of Foreign Affairs. Thus, it does not seem that anything new has arisen from this trip to Laos.

However, Laos has attached great "importance" to the visit by General Kriangsak. Prince Souphanouvong, the president of the State Council, welcomed General Kriangsak, just as did Mr Kayson Phomvihane. The Lao News Agency, along with the Vietnamese News Agency, issued a report during the period when the meetings were underway saying that the meetings were held in a "warm" and very friendly atmosphere. But there was probably nothing more to it than that since it was later learned that most of his talks were with Mr Phoun Sipaseut, the Lao minister of foreign affairs. In particular, the Joint Communiqué of 1979 that was signed by General Kriangsak and Mr Kayson Phomvihane was reaffirmed. The important element in

this concerned having the Mekong River serve as a river of peace, which meant that neither Thailand nor Laos would support the anti-government movements. (At that time, Laos issued an ultimatum to the CPT, telling them to get out of Laos.) And the border trading points were opened up wider than they had ever been.

"As for Laos, we are trying not to do anything that will affect them. But the military has gotten involved in controlling the border points and [in dealing] with the smugglers who operate along the Mekong River," said a news source in the Ministry of Foreign Affairs to LAK THAI. Thus, even though only three border points are now open, that is, in Nong Khai, Muk Da Han and Nakhon Phanom provinces, the people responsible feel that this is enough. As for the appeal by Laos, through General Kriangsak in the statement to reporters after his return, that additional border points be opened, the news source said that "this is very difficult." Even though no reasons were given, another news report stated that limiting the number of border crossing points benefits people with ties to soldiers--who are responsible for the area bordering Laos--without the soldiers being aware of anything, and the people who are responsible for defending the border area. Concerning the conflict between the governor of Muk Da Han Province and the superintendent, which has been a major news story, several news sources feel that one of the issues is the "smuggled goods" that have been flowing into Laos.

General Kriangsak was interviewed after his return from Laos. In short, he said that Laos wants additional border points opened. Concerning the refugee problem, Laos is ready to take them back. But this must be discussed with the U.N. High Commission for Refugees and with Thailand in order to work out the details concerning numbers and methods. From the interview, it is clear that these discussions will take a long time.

But nothing is as important as General Kriangsak's announcement that "Thailand should hold negotiations with Vietnam on the Kampuchean problem without prior conditions. We should take this opportunity to negotiate with each other. At the very least, this would improve our understanding of the problem." This goes against the policy of Air Chief Marshal Sitthi Sawetsila, who said that he will go to Hanoi to negotiate things only if Vietnam withdraws its troops 30 kilometers from the Thai-Kampuchean border. General Kriangsak also said that the problem will still be with us 10 or 20 years from now if we continue to use the present method of getting Vietnam to withdraw all its forces from Kampuchea, that is, by "putting pressure on Vietnam."

The question is whether General Kriangsak obtained new "data" or whether he is just giving his personal views. Because looking at the statement made by General Prem during this same period while he was in Pakistan holding talks with General Zia-ul Haq, it must be said that they are saying completely different things. Concerning this, a news source said that "we cannot make any more concessions to Vietnam since they will not think that we are serious and will think that we are indecisive and

ready to change our attitude. If there is to be anything new, Vietnam must be the one to initiate it. As for our side, I think that we will stress unity in ASEAN."

The visit to Laos by General Kriangsak's group will not have much affect on our policy. But viewed from the standpoint of stipulating Thailand's foreign policy, especially on the Kampuchean problem, it is a point that shows that the House of Representatives is working very hard and that the game being played by the government will be played wisely. But as for General Kriangsak, what is his purpose in visiting the Indochina countries in opposition to the government's policy? This is a matter well worth following. Especially since it is a matter involving a former prime minister and supreme commander who rose to prominence as a staff officer, it is a matter that cannot be ignored.

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CSO: 4207/151

THAILAND

DIRECTOR OF OPERATIONS GIVES MILITARY'S VIEW ON ROLE OF FINANCIAL INSTITUTIONS

Bangkok KHAO CHATURAT in Thai 22 Aug 83 pp 14-16

[Speech by Major General Suchinda Kharaprayun, the director of the Directorate of Operations, at a social function of the Thai Financial Association held at the Rama Tower Hotel on 9 August 1983: "The Role of the Financial Institutions In the Eyes of the Military"]

[Text] Concerning the role of the financial institutions in the eyes of the military, first of all, I would like to make it clear that when I use the words "financial institutions," I am referring to banks, finance companies, trust companies, securities companies, credit foncier companies and insurance companies.

What is the view of soldiers? The word "soldiers" refers to me. I am just one soldier. Do not think that my views represent those of the army. As a soldier, how do I view the financial institutions?

The first thing that soldiers are interested in is economics. We are interested in economic matters because such matters concern the well-being of the people. We are interested in the well-being of the people in the country. How can the people lead happy and prosperous lives? They will have a good life when the national economy is good. And so, what can be done to have a prosperous economy?

If the economy is to improve, there must be capital. Capital is the thing that makes everything happen. It leads to the production of goods, to investments in research and to innovations in various activities. Take the oil producing countries, for example. Their technology is not very good and they do not have much expertise. But a friend of mine, who is a Saudi Arabian and who I went to school with, told me that everyone in his country drives a big American car. After 5 or 6 months, they get rid of the car since it is broken. They don't know how to repair the cars. Or take air conditioners. They install air conditioners in all the buildings but after just a short period they break down. And they don't have any mechanics who can fix them. Thus, it can be seen that the economy depends on money. They have much money and so their economy is good. Even though they have nothing in other spheres, they are able to thrive since they earn much money from selling oil.

Another example nearer our country is that of Hong Kong and Singapore. Neither of these countries has any natural resources. They even have to import water from other countries. But they are economically developed because they have efficient financial institutions. That is my understanding. Thus, my first view is that these financial institutions are important to the national economy. And the military is interested in the economy and in the well-being and happiness of the people. The financial institutions play a great role in improving the national economy.

Second, soldiers, or I, support the free enterprise system. That is, we favor competition in all spheres. There will be innovations in production and good products will be produced. If there is competition in finding markets and making profits, there will be progress in all spheres.

This is because, in our experience, the countries that do not have a free economic system but that constrict and monopolize things have a backward economic system. A simple example is that France once had a good economic system, then it nationalized various activities, including the banks. And now things are terrible there. Thus, we support a free enterprise system. This includes the system of financial institutions, too. We want this to be a free system. But it must be free within the scope of the regulations and policies stipulated by the government, or by the laws, in order to ensure that things are done for the well-being and benefit of the country.

Another thing that I want to point out is that the military views the financial institutions from the standpoint of what we think is important, that is, the security of these financial institutions. Because the financial institutions are responsible for mobilizing capital from the people in order to promote the various activities of the country. Private individuals by themselves do not have sufficient capital to carry out large projects. But the financial institutions can collect enough money from people to carry out various projects that will benefit the national economy, which will improve the well-being of the people as a whole. This matter of security is an important matter. The financial institutions must carry on things in a way that earns the trust of the people, that is, in a way that will generate trust in the financial institutions. But unfortunately, some of the financial institutions have not succeeded, that is, they have lost the trust of the people. It is our hope that the financial institutions will promote or develop the economy. But if the financial institutions fail to gain the trust of the people, there will be problems. An example is what happened in 1981, which I am sure you are all aware of.

Concerning security, I do not think that our system of financial institutions is as developed as it should be. The people do not yet like to use the financial institutions. This may be because they do not trust the institutions or because the financial institutions do not make things convenient for them. If we can develop our system of financial institutions so that it is on a par with that of countries that have a developed system,

we will be able to gather together larger sums of capital and this will greatly benefit the country. Also, the government must try to promote or develop the financial institutions in order to generate trust on the part of the people. This will benefit everyone.

We also feel that some of the financial institutions or some of the administrators of the institutions control things too tightly. For example, why are companies established? That is, people who want to borrow money have to go through these companies. There are profits that are outside the regulations of the financial institutions.

Besides this, the administrators of some financial institutions make use of the profits received by the institution for their own personal profit. For example, they use the money deposited by the people to benefit themselves, their friends and the political parties to which they belong.

Besides this, they seek profits from.... Sometimes, they find out about government policies before others and make use of this knowledge for their own benefit and that of their friends and the financial institution instead of the benefit of the people and farmers, who are the people that the government wants to benefit.

Besides this, in some cases, administrators of some financial institutions try to do things to obstruct the policies of the government. An example concerns the promotion of various crops such as cassava and sugarcane. The administrators of some financial institutions have tried to obstruct the government's policies. This is very worrisome.

Besides this, there is also talk that the administrators of some financial institutions have too much influence in various sectors, including industry, agriculture and commerce. That is, they serve as board members or as board presidents of dozens [of companies]. Or they hold shares in these companies. Concerning this, sometimes, it is said that administrators make profits illegally. For example, when a good project borrows money from a financial institution, when they see that it is a good project, they take steps to gain control of the project in order to profit. This is bad from the standpoint that it gives rise to economic dictatorship, or an economic monopoly, which is very dangerous. We cannot allow this. We should have regulations or rules to prevent the financial institutions from gaining an economic monopoly. It has reached the point where some people say that they have more power than those in the other three sectors. That is, there are executive powers, legislative powers and judicial powers. But at present, there are also economic powers, who are trying to control things in the country. This is very worrisome.

We should have some regulations or rules. For example, in some other countries, bankers are not allowed to engage in other activities. They are afraid that these people will try to make profits illegally. This is what we are worried about.

In summary, concerning the military's view of the financial institutions, the first thing is that we are concerned about the well-being of the people. And we feel that the financial institutions are of great importance in developing the economy. They can play a part in improving the lives of the Thai people. You should remember that the seven-point economic policy of the government is aimed at reducing economic inequality among the people in general as much as possible. I hope that all of you who work for financial institutions realize that as long as there are great economic disparities among the people, there cannot be peace and happiness. And if there is no peace, no financial institution will be able to survive either.

In conclusion, I would like to ask that the financial institutions sacrifice some of the profits that they think they are entitled to. Don't think about making excessive profits. Give consideration to the majority of the people and remember that we must help each other. Please try to eliminate economic inequality among the people in the country.

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NEW SPECIAL WARFARE COMMAND TAKES SHAPE

Bangkok SIAM MAI in Thai 19 Aug 83 pp 15-17

[Article: "The Fifth Army Area: Enok-Phichit--October Rivals"]

[text] "Concerning the Special Warfare Command, whose formation as a new and awesome force of the army was officially revealed a few days ago by Major General Wimon Wongwanit, the commander of the 1st Special Combat Division, it has definitely overtaken other divisions and army units.

Because it has been confirmed that it will be equivalent to an army area, the question of who will be the commander or commanding general of this unit is very interesting.

After sifting through things carefully, it is believed that "Major General Enok Bunyathi" and "Major General Phichit Kunlawanit" are the leading contenders. In October, or at the end of September, along with the annual promotion of officers, this position will definitely be filled, too. In not too long, there will be an official decision on what direction this special combat force is to take.

In its Year 2, 85/1 July 1983 issue, SIAM MAI published a lead story on the formation of a "Fifth Army Area" that will operate throughout the country. This story was based on information revealed by high-ranking news sources in the army.

Then on 3 August, the Office of the Army Secretary took reporters to observe the unconventional warfare maneuvers, which demonstrated the capabilities of the 1st Special Combat Division, in Lopburi Province.

Besides discussing the structure of the 1st Special Combat Division in detail, Major General Wimon Wongwanit confirmed that the division is almost up to full strength. He also spoke about the structure of the 2nd Special Combat Division, which is quickly being formed.

Major General Wimon also spoke about the unit that is above both these special combat divisions. He said that the army issued an order last January to form the Special Warfare Command, which will be equivalent to an army area. That is, the commander will be a lieutenant general and

the deputy commander will be a major general. In addition to these two special combat divisions, the Special Warfare Center, or the well-known Pa Wai Paratroop Unit, will also be a component in the form of a training unit of the Special Warfare Command.

Concerning the past history of this special combat unit, Major General Wimon Wongwawit, the commander of the 1st Special Combat Division, said that it was first formed in 1954. It was turned into a special combat (paratroop) unit in 1963 and made subordinate to the First Army Area. Then in 1966 it was made subordinate to the Special Warfare Center and named the Special Combat Unit (1st Paratroop Unit). Then the 2nd, 3rd and 4th special combat (paratroop) units were formed in 1969, 1972 and 1980 respectively. Then the army issued Order 1975/1982 on 28 July 1982, which placed the special combat units (paratroop units 1, 2, 3 and 4) under the command of the 1st Special Combat Division as of 2 December 1982.

According to what Major General Wimon said, the duties have been divided into three spheres:

1. Unconventional warfare operations, which are operations in the areas under the influence or control of the enemy that are designed to reduce the capabilities of the enemy and to reinforce the conventional combat units.

2. Psychological operations, which are aimed at gaining influence with the enemy and organizing the masses so that they are ready to serve as guerrillas in defending against an enemy offensive.

3. [The units are] responsible for restoring order. This consists of special tasks such as freeing hostages.

The people who carry out these tasks must know the languages of neighboring countries, and they must have undergone a 2-year training course in infiltration and sabotage. This course consists of training in water, air and land operations so that the men are able to infiltrate any area. Also, a support regiment and a communications battalion have been established in order to support these activities. In addition, an aviation company will be formed in the future.

Besides this, the men must be highly efficient in all spheres of special combat. The organizational ratio is 3 to 1. That is, one division has three battalions and one battalion has three companies. A company is composed of six 12-man squads with the lowest-ranking personnel being non-commissioned officers.

As for the area for which this unit will be responsible, Colonel Surayut Chulanon, the commander of the 1st Special Combat Regiment, said that the 1st Special Combat Division is divided into three combat regiments. The 1st Special Combat Regiment (the Wachirawut Camp) is responsible

for Region 1; the 2nd Special Combat Regiment (the Somdet Pra Narai Maharaj Camp) is responsible for Region 2; and the 3rd Special Combat Regiment (the Erawan Camp) is responsible for Region 4.

Concerning the 2nd Special combat Division, permission has been given to form this unit. Colonel Khachon Ramanyawong is presently serving as the deputy commander, with the position of commander presently vacant. This division, too, is divided into three regiments. But at present, there is only one unit, that is, the 4th Special combat Regiment (the Sarit Sena Camp) in Phitsanulok Province. The two new regiments to be formed are the 5th Special Combat Regiment in Chiang Mai Province and the 6th Special Combat Regiment in Kanchanaburi Province.

Because it will be capable of taking action in any emergency from the level of a foreign war to a guerrilla operation, or fighting unconventionally like guerrillas, and because it will operate in all four regions, the great importance of this new army area cannot be denied.

Concerning this new combat unit, SIAM MAI once reported that its duty was to engage in unconventional combat. On one hand, this is an important task in opposing foreign enemies. On the other hand, this shows that the new army area will be capable of carrying on operations nationwide without overlapping [the operations] of the existing army areas. This point was confirmed by Colonel Surayut Chulanon.

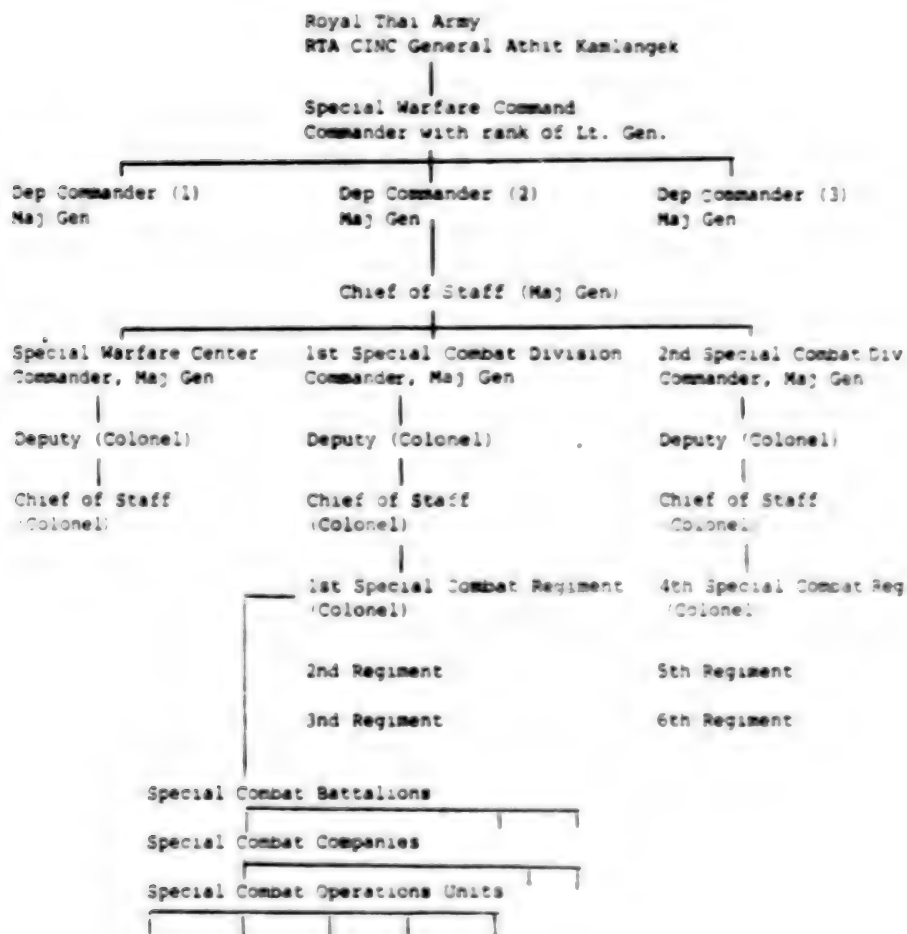
Another thing that is interesting about this new army unit is the matter of who will be the commander of the Special Warfare Command, with this person being the equivalent of a commanding general of an army area. A news source in the army said that someone will definitely be appointed to this position this October. As for who that will be, that cannot yet be confirmed.

SIAM MAI once said that the person who will take command of this great force will be Major General Phichit Kunlawanit, the great tiger. But inside sources have said that an attempt is being made by some high-ranking officers to have Major General Enok Bunyathi, the present commander of the Special Warfare Center, appointed to this position because of his seniority and suitability. Major General Enok has been responsible for the Special Warfare Center for a long time. Also, he has been a major general for a long time now. "Enok should be promoted. At least, this would be a reward before he retires," said an officer.

"Most of the officers now serving with the Special Combat Division support Enok," said an officer in the 1st Special Combat Division. "Phichit doesn't really want the position. I don't think he has given much thought to this. If he is promoted this year, he should be made deputy commanding general. But viewed politically, things are uncertain."

We will probably have to wait until October to find out who it will be. This will point out the direction to be taken by this huge force. For now, things can be summarized by saying that, from the standpoint of professional soldiers, it will be Major General Enok. But from the point of view of the political soldiers, it will be Major General Phichit.

STRUCTURE OF THE FIFTH ARMY AREA



Note: The 5th and 6th special combat regiments have not been officially formed. But concerning the 5th Special Combat Regiment, an order was issued in July.

CONDITIONS NEAR PRK BORDER IN BURIRAM NOTED

Bangkok KHAO CHATURAT in Thai 15 Aug 83 pp 38,39

[Article by Dr Wichitwong Na Pompert: "Ban Kruat-La Han Sai"]

[Text] During the middle of March 1983, I and a group of other people left Bangkok and travelled to the lower northeast by private car. Many of the districts in the provinces in that region share a border with Kampuchea and they are economically and socially backward. And not too long ago, this area was heavily infiltrated by communist terrorists.

In my trip "along the border" during this period, Buriram Province was my destination. I travelled from Nakhon Ratchasima Province along National Highway 24 until I reached Pra Khonchai District, which is a large district and which is the agricultural products trade center of Buriram Province. From there, I turned right onto provincial Highway 2075 and drove until I reached Ban Kruat District, which is a border district.

When I reached Ban Kruat District, Mr Thawip Ratamon, the district officer, was on official business at the provincial seat. But I was warmly welcomed by the heads of various district sections, that is, by the deputy district officer, the district public welfare officer, the district agricultural officer, the district forestry officer and the self-help settlement administrator. All of these men provided me with data and information concerning the situation in their area of responsibility, and they took me to visit various villages in Prasat and Sai Taku communes and to the sel-help settlement.

I learned that Ban Kruat District is divided into six communes. The total population is approximately 53,000 people. Three of the communes, that is, Prasat, Nong Mai Ngam and Sai Taku, share a border with Kampuchea that runs for approximately 25 kilometers. There are also several border "passes" in this area such as the Opok, Sai Taku and Mekha passes. [Kampuchean] resistance forces stay near these passes in Kampuchean territory. When there are clashes, artillery shells frequently land in Thai territory, and Khmer refugees often flee into Thailand. When the refugee center in Buriram was still open, our officials sent these refugees to live at this center temporarily.

The border terrain in Ban Kruat District is composed of hills and plateaus that slope down into Kampuchea. Concerning economic and social development in this area, activities have been carried on under the self-help settlement program of the Department of Public Welfare, which has allotted land to the members of the settlement. It has provided 25 rai per family, with the land arranged in plots. This self-help settlement is not too far from the border. Thus, it has not escaped the dangers from the events along the border. In 1978, Khmer Rouge forces and communist terrorists came and caused so much trouble in the settlement that many members had to flee. However, at present, officials have established border self-defense villages in order to have the people live in one group and have a self-defense system. The allotment of land to the people in these villages is different from the settlement's system of allotting land. That is, instead of allotting plots of land in rows, the families all live in one place surrounded by the fields, with each family working 15 rai.

"In our settlement, the members have come from various places. There are people from other provinces in the northeast and from the central region, and there are people from nearby localities," explained the administrator of the self-help settlement. "But in general, it can be said that our people still lack qualities."

"The main occupation of the people is the cultivation of upland field crops, such as cassava, corn and kenaf," said the district agricultural officer. "It is very difficult to raise income levels even though the government is promoting things. One problem concerns markets; another problem concerns the financial influence of the local capitalists. Those who control the economic fate of Ban Kruat live in Pra Khonchai. The money for revolving capital is provided at interest rates of 10-20 percent a month."

After inspecting Ban Kruat District and learning about the various problems here, I travelled on to La Han Sai District, which borders Ban Kruat District to the west. It did not take long to reach the district headquarters of this district. The road along the border here is quite convenient. Most of the road is paved. It passes through several villages which used to be infiltrated by terrorists.

La Han Sai is the southernmost district in Buriram Province. It borders Kampuchea, with the Phnom Dong Rak mountain range serving as the border between the two countries. On one side, it borders Ban Kruat District; on the other it borders Ta Phraya District in Prachinburi Province. This mountain range divides the central region from the northeast.

The terrain of La Han Sai District is mostly tropical evergreen forest. The mountain ranges are the headwaters of several rivers. Thus, the plains areas at the base of the mountains are very fertile. As for the forests, the people here felled many trees in order to use the land to grow crops. And the result has been a struggle for profits between

the people who have taken over the land. A system of "capitalists" has arisen and has become a social and economic factor in this area.

Recently, La Han Sai was seriously threatened by communists from both within and without the country. Their goal was to "liberate" this area by inciting the people to turn against the government. In particular, during the period 1977-1979, Khmer Rouge soldiers boldly came here and seized people. They rounded up people and forced them to cooperate with the communists and they robbed people all along the border. This was the method used to force the people to leave the area, which would have made it easy for the communists to build a political operations base. The struggle for La Han Sai lasted for several years. In the end, the government won a decisive victory. The credit for this belongs to the Second Army Area, which is responsible for this area.

At present, La Han Sai District is free from the harassment of the communists and peace has returned to this area. Thus, the problems now facing the district concern economic and social development. [These problems must be solved] in order to improve the people's standard of living and to increase security in the area.

In La Han Sai District, I met the senior deputy district officer, Mr Rabiap Somnoi, who was acting in place of Lieutenant Thawat Hantra, the district officer, who had gone to the provincial seat on official business. Mr Rabiap introduced me to several government officials in the district, such as Deputy District Officer Wirat Atthathiraphong and Mr Pridi Phimpfro, the district development officer. They informed me about the situation in the district.

From what was said by the senior deputy district officer, I learned that La Han Sai District really has only one border village, that is, Ban Baranae. It is situated at the Baranae Pass in Tachong Commune. It is an old village. The people here grow upland field crops, particularly cassava. However, since Ban Baranae is a remote village, the felling of trees has been carried on widely, which is a violation of the law. Thus, in order to help maintain security and to preserve the forests, government officials have decided to move the villagers. They have allotted land to the villagers in other villages such as Ban Nong Ta Yao, Ban Nong Wa and Ban Nong Kai. But even so, some people want to return and live at Baranae. And so they have protested in front of the Government House, saying that living elsewhere is not the same as living at Baranae. Unfortunately, I was not able to go to the Baranae Pass and so I don't know what is so nice there.

In La Han Sai District, there is an important royal project known as the Lam Nang Rong Project. This is under the care of the Second Army Area. An important aspect of this project is a large dam and reservoir. This is located near Non Din Daeng Village, which is approximately 28

kilometers from the border. Opposite the dam is a food processing plant, which is a center for receiving agricultural produce produced in the project area.

When I arrived at the project headquarters building, Colonel Sanan Maroengsit and Mr Sombat Chanthasuk were waiting to welcome me. Both men explained things to me so that I clearly understood the objectives and scope of the project. They also told me about the problems and obstacles that have been encountered, which is normal in every development project. But I observed that all the officials here are "giving their all" in this work. And even though things are very difficult, this is of great significance for the security of La Han Sai.

From La Han Sai, I returned to Bangkok on Highway 3068, which goes through the Ta Ko Pass to Ta Phraya District. There are several vehicle checkpoints along this highway, and my car was just one of the vehicles on the road at dusk that day.

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CSO: 4207/150

CHIANG RAI BORDER CONDITIONS WITH LAOS, BURMA NOTED

Bangkok KHAO CHATURAT in Thai 1 Aug 83 pp 42,43

[Article by Dr Wichitwong Na Pomphet: "Chiang Saen"]

[Excerpts] "The situation in Chiang Saen is very peaceful and orderly. No foreign troops have crossed the border, and there is no fighting. The terrain here does not facilitate infiltration since the Mekong River is very wide," said the deputy district officer. "Very few refugees cross over here. One or two a day come and we expell them. Previously, more came, and we sent them to the center in Chiang Rai."

I looked at the area along the bank of the Mekong river. The river seemed quite broad at that point. Everything seemed quiet.

At present, the northern part of Chiang Saen District borders Chiang Tung State in the Socialist Republic of the Union of Burma. The southern part of the district borders Chiang Khong and Mae Chan districts in Chiang Rai Province. In the east, it borders Ton Pheung District in Louang Namtha Province, Laos. In the west, it borders Mae Sai District in Chiang Rai Province.

Economically, Chiang Saen District is just like other remote border districts. Although the people are not living in utter poverty, it cannot be said that the economic structure here is as strong as it should be for an area that is the "country's fence." More than 80 percent of the people in Chiang Saen are poor farmers. The industrial plants that I saw were a tobacco leaf curing plant and a small rice mill. And just as in most of the other border districts, there are no financial institutions in Chiang Saen, with the exception of a branch of the Bank for Agriculture and Agricultural Cooperatives. And having this bank branch has resulted in Chiang Saen District making much more progress than many other border districts.

Leaving Chiang Saen, I returned to Chiang Rai and took this opportunity to visit Mae Chan District, which used to be [part of] Chiang Saen District. Provincial Highway 1016 is a good road and so it took only a short time to reach the Mae Chan District headquarters, which is located at a junction with Chiang Rai to the south and Mae Sai to the north. The

district headquarters building is a large wooden structure--larger than normal for a district headquarters building. But is looked rather run-down even though this is a first-class district with a population of more than 100,000 people. There are at least four or five commercial bank branches and five or six entertainment establishments here.

When I went into the district headquarters building, I met Mr Sakraphop Sisuphing, the senior deputy district officer of Mae Chan District. He suggested that I talk with Mr Chaloemsak Wongsiriwat, the deputy officer for defense. He is a young man and is very suited to defense work, which is very dangerous work.

Mr Chaloemsak showed me a map of Mae Chan District. To the west, the district borders the Socialist Republic of the Union of Burma. "That is where Khun Sa has his base," said the deputy officer for defense to me. "That area has many problems. If you are really interested, we can spend hours talking."

Mae Chan District has had 24 district officers, beginning with Phra Yaratchadetdamrong. Reading the long list of names, several of the surnames such as Sitthiprasat, Thepphawan, Sawetsila and Sutanon, seemed very familiar. The present district officer is Mr Prasit Chaisi. I vaguely remembered having met him before.

It does not seem that administering Mae Chan District would be an easy task. Approximately 20 percent of the district's population is composed of various hill tribesmen. It would not be incorrect to call Mae Chan District a gathering point for the hill tribes. Among the hill tribes that live here are the Akha, Yao, Lahu, Haw, Lisu, Shans and Karens. and this does not include others who cross back and forth across the border. There are also problems concerning narcotics trafficking.

The deputy officer for defense talked to me about the problems in this area, and I greatly sympathized with the officials who are responsible for maintaining peace and security. Because carrying out things in a remote area is very different from working in an air-conditioned office.

As for these officials, besides the physical hardships and dangers, sometimes they have to put up with having to explain things to "higher units" so these units understand what they are doing.

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LAO CROSS BORDER TO SHOP, GET MEDICAL TREATMENT IN NONG KHAI

Bangkok KHAO CHATURAT in Thai 8 Aug 83 pp 38,39

[Article by Dr Wichitwong Na Pomphet: "Bung Kan"]

[Excerpts] I arrived in Bung Kan District in Nong Khai Province on Monday, 4 April 1983. The evening before, I stayed overnight in Nong Khai Province. Then, in the morning, I left for Phon Phisai District. And about 1400 hours that day, I arrived in Bung Kan, which is located just across the border from Pak Sane in Vientiane Province, which is a large city by the standards of the Lao People's Democratic Republic.

I and my party were warmly welcomed by Mr Suriyon Manutsa, the district officer of Bung Kan District. Mr Suriyon is the same age as I and it is my understanding that he graduated from Thammasat University. He was a very polite and thoughtful person and suited to being responsible for a first-class district. He is responsible for governing more than 100,000 people.

"Opposite Bung Kan is Pak Sane," said the district officer pointing out the window of his office. The district headquarters building is located on the bank of the Mekong River, just as in most other districts that border the Mekong River. "The people on both sides of the river are related to each other, and they frequently cross back and forth. People from Pak Sane secretly come across to purchase consumer goods. And people who are ill come for treatment here."

I asked the district officer if there was any contact with government officials in Pak Sane. He said that contacts are made. "Sometimes, they invite us over and sometimes we invite them to come here," said Mr Suriyon. "I think it can be said that we have enough dealings with each other to consider ourselves friends and not enemies."

Bung Kan is a district that has convenient roads to other provinces. It is 136 kilometers from the Nong Khai provincial seat and 178 kilometers from the Nakhon Phanom provincial seat. Besides that, National Highway 222 links Bung Kan with Phang Khon District in Sakon Nakhon Province, which

is 127 kilometers away. The terrain is mostly mountainous jungle and there are several high mountains such as Phu Sing, Phu Wan and Phu Thok. Most of the people here are farmers, growing rice, cassava, tobacco and kenaf. Besides this, some people make a living as fishermen, particularly by fishing in the Mekong River.

"Smuggling goods to avoid paying taxes does occur," said the district officer to me. "One item that is smuggled into Thailand from Laos is 'lak leu,' which is sometimes referred to as 'mak naep' and which sells for 200 baht per kilogram. It is very difficult to control this smuggling, especially during the dry season. The water in the Mekong River is very shallow then and so it is easy to swim across."

When we were talking about the smuggling of goods, I asked about the situation concerning refugees crossing over into the country. Mr Suriyon said that Hmong, or Meo, tribesmen frequently cross over from Laos in order to flee the oppression there. And even though we try to expell them, they keep on coming.

"Two to three days ago, about 100 came here during the middle of the night. They crossed over at Lam Hual Ahong, which is so narrow that people can easily shout across to each other," said the district officer about the refugee situation. "But they do not cause us any trouble. They just ask for permission to live here, and they ask that Thailand provide protection since they feel that we are moral."

I turned the conversation to the district's economic situation. I had observed that the economy was not very vigorous even though this is a large district.

"When the border was open, trade flourished. But now things are very quiet. We had a policy of opening a border market but Vientiane was not ready to do this because if trade was allowed, it would have been a one-way trade, with Laos purchasing things from us," said Mr Suriyon. "The level of development [in the two countries] is very different. In the night, there are two to three lights on over there and these are turned off around 2000 hours. But here, lights are left on all night."

Even though Bun Kan District is quite developed when compared to Laos, when judged by standards in general, it must still be considered to be a backward area, just like the border districts in the east.

There are more than 100,000 people living in the district. The personal taxes collected here amount to only 180,000 baht a year.

Thus, on the average, the people in Bung Kan District pay only 1.80 baht per person per year to the state.

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ECONOMIC, FINANCIAL POSITION OF GOVERNMENT EXAMINED

Kuala Lumpur BUSINESS TIMES in English 13 Aug 83 p 7

[Article by Dilip Mukerjee]

[Text]

THAILAND is a lucky country. Its sustained and impressive annual economic growth of seven per cent over the last two decades provides an excellent example of how to succeed without trying.

But even this country has been forced by the world wide recession of the last two years to tighten its belt quite sharply. This is evident from the budget announced late in June for the financial year starting in October.

To a large extent, Thailand has no choice in the matter. In terms of the arrangements under which it borrowed US\$200 million from the International Monetary Fund last November, it has accepted a ceiling on the extent to which the government's expenditures may exceed the revenues it manages to collect.

In the current fiscal year, the budgeted deficit of 20 billion baht (US\$1.15 billion) no doubt is going to be exceeded because of shortfalls in revenue collection. But the actual deficit may still be held within 25 billion baht (US\$1.40 billion), the cut-off point equivalent to 3.5 per cent of the likely gross domestic product (GDP) this year. The government hopes to do the same next year for which the budget assumes a deficit of 25 billion baht (US\$1.40 billion).

Debt

Judged by this yardstick, Thailand is being reasonably prudent. But whether it is making any progress toward the financial goals it has set for itself is a good question. The picture, as far as it can be ascertained, is not very encouraging. Efforts have certainly been made but the results are not commensurate either because these were not adequate or because

the assumptions about the economy's performance have been belied by persisting world-wide sluggishness.

Thailand needs above all a more activist government. While it could in the past sit back and let growth take care of itself, this will not work in the future because of what the World Bank describes as three major negative factors.

One is the accumulation of debt since the second oil shock of 1973. With the external deficit on current account increasing almost two and a half times to US\$2.5 billion between 1975 and 1981, the government sought at first to borrow its way out of the crisis. As a result, the total debt now stands at over US\$10 billion, almost four times the 1975 figure.

As the World Bank says, "This implies that growth in expenditures must be kept below the growth in domestic income." This is because in

come available for spending "is being reduced by the need to service recently incurred debt." The point is readily illustrated by the budget estimates for 1982-83 and 1983-84. In the current year, debt repayments are pre-empting 27 billion baht (US\$1.3 billion), equal to 15 per cent of total expenditures. The creditors' take will rise next year to 33.4 billion (US\$1.67 billion) or 17.4 per cent.

Since these payments will continue to rise for several years, the bank argues that the government should brace itself to collect and spend more money not only to overcome this handicap but also to equip itself to play a larger role in fostering development. Energy imports, which swallowed up over two-fifths of the country's export earnings in 1981 and only slightly less last year, need to be replaced with domestic substitutes. This will require very large public sector expenditures for which room needs to be made in the budget.

The second negative factor pinpointed by the bank is that the rise in agricultural output faces a slowdown — from five per cent in recent years to three per cent. This is because "the past pattern of agricultural growth based on expanding the cultivated area is now coming to an end." Future growth will thus have to depend on increased yields.

Productive

Although progress in this regard will depend largely on private initiative, the government will have to lend a helping

hand. Prime Minister Prem Tinsulanond has already promised to do this in a variety of ways, chiefly through the provision of inputs to poorer areas.

This ties in with a particular concern of Gen. Prem. With long years of service as a field commander up-country, he realises the danger of instability implicit in the sharp disparity between urban and rural incomes and between the relatively affluent central plains and the outlying provinces, particularly the north-east.

The third negative factor which has to be overcome through effective government policies is the impact of foreign debt on balance of payments. Thailand doesn't only have to pay for what it has already borrowed but also for the additional resources it must obtain to shift from imported to domestic energy and to build up manufactured exports on which it will have to rely increasingly for economic growth, employment and, of course, foreign exchange.

Taking the ratio of budgetary expenditures to the GDP as a yardstick to measure the role of government in national economics, Thailand's figure is well below the norm for Asia, as brought by the UN Economic Commission for Asia and the Pacific (Ecasap).

The plea that the bank is making for expanding the budget without however enlarging the deficit is endorsed by the country's own planners. The Fifth Plan document sets, in fact, the target of raising total revenues (to match corresponding increases in expenditures)

from 14 per cent of the GDP in 1981 to 18 per cent. This is a modest goal; the *Kurup* review shows that the figures for Indonesia, Malaysia and Singapore were already considerably higher than this in 1980.

So far, Thailand has not yet made much progress in this direction. Going by the budget for 1983-84, the revenue/GDP ratio will probably be below 15 per cent.

Thailand can secure a growth in revenues in two ways. The first is by improving the yield from existing taxes through more effective collection and the second by adopting new tax measures. The first alternative can be quite productive as shown in the increase in collection of personal income tax by as much as 35 per cent in 1982 as a result of an amnesty granted to those that had avoided or evaded paying taxes.

Fresh taxation measures were also adopted both in 1982 and 1983. The aim is to hold down deficits and also to promote desirable shifts, for instance, by changing the basis of vehicle taxation from weight to engine capacity to discourage the use of petrol guzzlers.

These steps show that Thailand is no doubt headed in the direction marked out for its plan and endorsed by the World Bank. Understandably, the inertia built into the system by the rewards easily gained during the 1960s and 1970s is not easy to shake off. Time, however, is not on its side. One of the many imperatives requiring faster progress is the addition of 8m baht Thai each year to the public force.

EDITORIAL VIEWS ATHIT DUAL ROLE

Bangkok PATINYA in Thai 22 Aug 83 pp 1, 2

[Editorial: "Holding Several Positions Should Be Viewed In a Good Way"]

[Text] At present, there is widespread talk about whether General Athit Kamlangek will take on the dual role of supreme commander and RTA CINC. There are some who feel that he should since they believe that General Athit is a very capable person, even though they realize that this may block their own careers. However, they feel that overall, the benefits will be worth the costs. Another group does not agree. These people are afraid that if he holds several positions concurrently, he will not be able to do any of the jobs well. And they are afraid that a person with so much power will seize power and become a dictator.

This dispute has not been resolved. Thus, it is necessary to provide some background information on this. How this matter is considered depends on whether it is viewed in a good or bad light.

Looking at the matter in a good way, it can be seen that, historically, holding several positions concurrently, concentrating power and extending the time for holding power have generated many good things.

Field Marshal Sarit Thanarat was concurrently prime minister, minister of defense, supreme commander, RTA CINC and director-general of the Police Department. This enabled him to build strong dictatorial power. No one was able to topple him until death vacated the positions. Concerning his administration using resolute means, the people were easily controlled. This created a peaceful atmosphere and generated discipline in the country. The order generated was favorable for foreign investment in accord with the economic development plan drafted by Field Marshal Sarit. And because of this development, there were more jobs for Thais. And he [Sarit] became very wealthy. It became well known that Thais who were soldiers could become millionaires. Besides this, this resulted in much wealth being accumulated for the people and made it easier for his subordinates to give the money back later on. Besides this, the use of resolute power forced the communists to flee into the jungle. Even the CPT said that this made their job easier. But looking at things more deeply, the

suppression activities of Field Marshal Sarit separated the communists from the people. And the fact that more people became communists because of the strong suppression activities resulted in the state units greatly expanding their activities. This benefited the people, for whom there were more positions and jobs.

Field Marshal Thanom Kittikhachon and Field Marshal Praphat continued on the path set by Field Marshal Sarit. But they divided the various positions of prime minister, deputy prime minister, minister of defense, minister of interior, supreme commander, RTA CINC, director of communist suppression activities and so on.

Besides holding various positions, they monopolized power by extending their terms of government service 1 year for each of the positions mentioned above. All of this resulted in both these men becoming as wealthy as Field Marshal Sarit. But this concentration and monopolization [of power] greatly benefited the democratic system, too. That is, this gave birth to the idea of opposing dictatorship, which resulted in the events of 14 October. If these two field marshals had not held so many positions and not monopolized power, there probably wouldn't have been any 14 October heroes.

The Thanin government was a civilian government, but it could not control many positions since it derived its power from the Revolutionary Council. Dictatorial power was, however, dispersed within a narrow circle, and it stipulated that democracy would be implemented in states. Those who disagreed were charged with being a threat to society or with being a communist. The country was quiet, but no new investments were made here since investors were uncertain about things. If the Thanin government had not fallen, people today would probably be halfway on their way to becoming democrats as stipulated by the Thanin government.

Concerning the fact that many students and intellectuals fled into the jungle, this may have been a deep plan of the government to have the students "get a taste" of reality so that they would become more submissive and stop wanting to become communists. Besides this, this was a plan designed to cause splits in the CPT since chasing the students into the jungle set off an explosion within the party, which is the result that is being announced by the 66/1980 group today. Thus, the Thanin government was the first government to succeed in suppressing the CPT using dictatorial methods.

General Prem Tinsulanon held the positions of prime minister and minister of defense even though he was the RTA CINC. And, following the path set by field marshals Thanom and Praphat, he extended his term of government service by 1 year. However, General Prem was not able to use full dictatorial power because of the semi-dictatorial system stipulated in the 1978 constitution and because of his own personality. But General Prem used the method of shoring up his power and reducing the power of his rivals,

which is like concentrating power in an indirect way. Because of this concentration of power, the army began to play a very active role politically. People in the army knew how to use political methods to rise to important positions without having to rely on their suitability [for the position] or their capabilities. They knew how to divide people and gain allies. This helped modernize the military and resulted in the military playing politics outside the military and bringing politics into the military. The result was the coup d'etat of 1-3 April 1981, which gave the people new heroes on white horses. And these people were ready to make full use of the methods of Field Marshal Sarit.

The same is true for General Athit Kamlangek. At present, he holds many positions, such as RTA CINC, deputy supreme commander, director of communist suppression activities, R.P.N director, chairman of the board of the Telephone Organization of Thailand, member of the board of the Tobacco Monopoly Factory and so on. And so far, no one has criticized him. People have just lined up to praise him at his Miksakawan home. The subordinates of General Athit have confirmed that he is capable of handling all the jobs. And so allowing him to take on the additional position of supreme commander would not be too much for him. And because of his great capabilities, he should be given other important positions such as prime minister, minister of defense and so on so that he can make full use of all his talents. This might result in the country developing just as in the time of Field Marshal Sarit.

All of this is a look at the world from a good point of view. People who agree with this should help exert pressure so that he scores achievements quickly and so that we can find out what will happen.

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SCHOLARS DEBATE ASEAN ROLE IN KAMPUCHEA

Bangkok PATINYA in Thai 22 Aug 83 pp 28-30

[Article: ASEAN and the Solution to the Kampuchean Problem"]

[Text] The problems in Kampuchea are considered to be important problems that greatly affect the security and safety of ASEAN, particularly Thailand, which is the front-line state that has had to confront the problems created by the crisis in Kampuchea ever since Vietnam invaded Kampuchea and toppled the Kampuchean government, that is, the Khmer Rouge, in 1979. However, ASEAN is trying to solve the problems because ASEAN and Indochina are different politically, economically and socially.

The problems in Kampuchea have been under consideration for several years and there is no sign that they will be solved any time soon. Political science circles at Ramkhamhaeng University organized a debate on the topic "ASEAN and the Solution to the Kampuchean Problem." They invited scholars such as Dr Atthakon Ekkasaengsi, Dr Kritsana Waisamruat, Mr Kriasak Chunhawan and Mr Chaloechai Phiuruongnon. The debate was held at the offices of the Faculty of Political Science, Ramkhamhaeng University, Room 401, from 1130 to 1330 hours on 9 July 1983. Approximately 400 students attended the debate.

Instructor Chaloechai made some observations and pointed out the reasons why the Kampuchean problem has still not been solved. He said that "if [the countries] in this region could settle matters by themselves, the problems could be solved. [One of] the reasons that the problems have not been solved is that the great powers have gotten involved. And the thing that ASEAN has attempted to do is to form a Khmer coalition government. There have been so many meetings that people have begun to think that the Erawan Hotel is the Government House of the Khmer Coalition Government since meetings are held there so frequently."

The Basis of the Problem

"The Kampuchean problem is part of the third-world revolution, and it will be necessary to take sides in the dispute between China and the Soviet Union," said Instructor Kraisak about the Kampuchean problem and the conflict between the great powers in the communist world. He

added that "during the past 12 years, both China and the Soviet Union have supported Vietnam, Laos and Kampuchea in their revolutions and fight against the dictators in the countries, who were supported by the United States. But the communist leaders have split apart into two camps, that is, the Chinese camp and the Soviet camp. And following the revolution in Indochina, China asked Vietnam to end its relations with the Soviet Union and the East European countries. Vietnam could not accept this condition since in the eyes of Vietnam, these were important countries that could help support Vietnam after the war."

"After the revolution, Pol Pot moved the people out of the cities without there being any welfare services in the rural areas. Manpower was used instead of tractors, and money, buildings, urban life and new technology were rejected. Thus, the revolution created the seeds of failure within itself." Concerning the failure of the revolution in Kampuchea and the events that took place, Instructor Kraissak said that "Kampuchea sealed itself off from the outside, which ended the internal dispute and the inefficient system. Then in 1977, another communist group that opposed the central communist government came into being."

Concerning Pol Pot's policy toward Thailand at that time, Instructor Kraissak said that "don't forget that in 1977, Pol Pot supported the CPT. In particular, in the lower northeast, thousands of people were forcibly moved from various villages such as Ban Ra Ngae into Kampuchea in order to instill revolutionary ideals and liberate areas of Thailand. But the people could not accept this." As for in the eastern part of Kampuchea, or the area bordering Vietnam, "Pol Pot sent guerrilla units 15 kilometers into three or four Vietnamese provinces where Vietnam had established new cooperatives."

"The structure of the Kampuchean communist party under the leadership of Pol Pot was different from that of the present party, which is supported by Vietnam. At that time, the leaders who really supported Pol Pot numbered about 100 people; the rest took Vietnam's side. Thus, what Pol Pot did to maintain his power was to destroy the cities and move to the rural areas. Also, people were executed," said Dr Atthakon concerning what Pol Pot did to solve the internal problems. He added that "besides that, he looked for a way to eliminate the Chinese and Vietnamese in Kampuchea, who numbered several hundred thousand, by expelling them. When Pol Pot expelled 100,000 people, this caused problems with Vietnam, whose economic system was not good. And Pol Pot was a Chinese-faction communist. Vietnam considered China to be the enemy. And so in the end, the problem that arose was that Vietnam invaded Kampuchea."

Vietnam's Attitude Toward the Kampuchean Problem

"It is not likely that Vietnam will allow the Khmer coalition to gain power," said Dr Kritsana. He added that "Vietnam has more than 100,000 troops in Kampuchea. This shows that it has invested hundreds of millions of baht there."

Dr Atthakon spoke about Vietnam's attitude toward the Kampuchean problem. He said that "Vietnam's attitude toward Kampuchea is directly concerned with the great powers. That is, the Soviet Union wants the war in Kampuchea to continue in order to swing the great power balance in its favor. The longer the war continues and the more money that is spent on the war, the more influence the Soviet Union will have over Vietnam and Kampuchea. In particular, the Soviet Union has used Vietnam's economic dependence as a bargaining chip to gain use of naval bases to support the proletarian revolution in order to create (neo) colonies in the communist countries, which the Marxists make much use of."

Now that Vietnam has invaded Kampuchea, it will be difficult for it to withdraw. As for why this is so, Dr Atthakon said that "there are about 500,000 Vietnamese in Kampuchea." Dr Atthakon, citing a statement by Nguyen Co Thach, said that "it is not possible for the situation to return to what it was before since the repatriation of 500,000 people would create great economic and social problems. Thus, the question is whether Vietnam will withdraw its troops. Regardless of what ASEAN does, Vietnam will probably not withdraw its troops and will continue to fight since the problem has internal ramifications, too."

ASEAN's Attitude and Role In the Kampuchean Crisis

"ASEAN came into being after the collapse of SEATO," said Instructor Kraissak. And concerning the formation of ASEAN, he said that the "United States was looking for a new way by joining Thailand, the Philippines, Malaysia, Indonesia and Singapore." But Dr Atthakon disagreed, saying that the "communists think that ASEAN was formed by the SEATO Treaty and that the American imperialists were the ones who initiated this." As for the reasons, Dr Atthakon said that the "United States never wanted ASEAN to be formed. The United States formed another organization, APFAK, to compete with ASEAN. America felt that it should be involved in the formation of this international organization. But ASEAN was formed from ASA and Maphilindo. It was agreed that members would discuss things together on a friendly basis whenever necessary, which was considered to be the operating principle."

"ASEAN is an economic, social, political and cultural organization," said Dr Atthakon. He said that "actually, ASEAN does not have any military agreements. But the member countries do have treaties calling for mutual help in times of war. For example, there are treaties between Thailand and Malaysia, Thailand and Singapore, Thailand and Indonesia and Thailand and the Philippines. At the same time, the other countries have bilateral agreements, too. For example, there are agreements between Malaysia and the Philippines, Malaysia and Indonesia and so on. Thus, in solving the Kampuchean problem, ASEAN will solve the dispute using peaceful methods. But individual members are free to use other methods. For example, Singapore recently announced that it would provide weapons to the Khmer coalition. But this is not an action being taken by ASEAN."

"The two countries that do not agree with [the way] the Kampuchean problem is being handled are Malaysia and Indonesia," said Instructor Kraissak. Concerning the reasons of these two countries, he said that "if there is a confrontation with Vietnam and we have to rely on China, this will be harmful to the ASEAN countries since the real danger to these countries is China and not Vietnam. This is concerned with internal problems. For example, about 50 percent of Malaysia's population is Chinese. As for Indonesia, it once had the largest communist party in the free world, and it had to be suppressed in 1965 using about 1 million troops. In that period, the Indonesian Communist Party was supported by China."

"ASEAN has said that it will not use military force and that it will solve the dispute using peaceful means," said Dr Atthakon. He added that the "thing that ASEAN is trying to do is to inform the world about Vietnam's invasion of Kampuchea. It is trying to get the various countries in the world to play a part in solving the Kampuchean problem, particularly by solving the problem in the United Nations."

"To isolate Vietnam on the international political stage," said Dr Kritsana about ASEAN's policy. He added that "because the ASEAN countries are small countries that do not have sufficient forces, they have sought support, especially from the United Nations, where ASEAN has scored great achievements. At the same time, it has refused to recognize the Heng Samrin government and supported the Khmer coalition in putting pressure on Vietnam to withdraw its troops from Kampuchea."

But after 1980, several things pointed out the lack of freedom in ASEAN's policy," said Dr Kritsana. Concerning this, he said that "this has given rise to the question of whether ASEAN is really doing this in the interests of this region. Concerning the matter of weapons being sent from China through Thailand, it is true that this is a form of pressure that cannot be applied at the international level. Thus, support is being given at the state level. But Vietnam is using this as an excuse for not withdrawing its troops, claiming that it has to consider its own security. And concerning this, it can be seen that the United States has gained a great deal from having China serve as its proxy."

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THAILAND

CRIME SYNDICATES, 'DARK INFLUENCES' FLOURISH NATIONWIDE

Bangkok SU ANAKHOT in Thai 7-13 Aug 83 pp 7-11

[Article: "Revealing the Mafia Nationwide: Who Will Dare to Suppress Them?"]

[Text] Concerning the influential people and dark powers, government officials in various sectors, including those who are directly responsible and those who provide support, have proposed methods to eliminate these people. Many people have gained more and more dark influence to the point where there are many such groups. The problem has grown so serious that people are wondering who the war factors are in the country. This is because the goal of the influential people, or dark powers, is profits, profits that have been used to make friends in every period. What is important is that this has destroyed the determination of those officials who had few ideals to begin with. And so some officials use their power, as has been reported in the news, to force the victims to come to them for protection. Such behavior has occurred so frequently that people in general understand what is happening.

When General Prem Tinsulanon, the present prime minister, was the deputy minister of interior, on 28 August 1977 during a conference for officials at the Crime Control Center, he spoke for 1 hour and 45 minutes, that is, from 1600 to 1745 hours, about his determination to carry on activities to protect the lives and property of the people and eliminate the dark influences who are destroying the country's economy, such as by felling trees and destroying the forests, smuggling goods and operating gambling dens.

Ever since then, even though the number of suppression units has increased to the point where it is almost impossible to remember all of them, the dark influences, or evil powers, have not disappeared but have grown even stronger. One knowledgeable person hinted to SU ANAKHOT that, actually, increasing the number of units has just increased the work of the lawbreakers. An example concerns the illegal felling of trees. The lawbreakers and the officials concerned may fell just one tree. But when another suppression unit is added, they have to fell another tree in order to bribe the new officials. Since more trees are felled as more units are added, the lawbreakers gain more and more power to the point where they become

influential people. Thus, these days, influential people are everywhere and they are making themselves equal to senior officials. If Thailand could speak, it would probably cry out that "no one really loves me!"

Bangkok--Dark Buildings and Dark People

Concerning the dark powers in Bangkok, government officials at all levels know that there are many such people and that the worst ones are those who operate the gambling dens. These dark powers use the influence of politicians to protect themselves and to set a maximum of four gambling dens. They bargain with high-level powers. There are two ways that police officials can choose: 1. There is a risk of a trap from loopholes in the law and 2. There are regular profits.

Besides this, there are small gambling dens that can be seized in order to show results. These are located in the suburbs to the south of Bangkok in Bang Khon Thi District in Samut Songkhram Province. Everybody knows that the ringleader here is a kamnan. His influence reaches all the way to the capital.

The Two Giants In the Central Region Are Trying to Build a Record

In Kanchanaburi Province, a major numbers racketeer is a former policeman. He is also the one who opened up an illegal gambling den. The villagers are aware of this. Reports say that at present he directs things from behind the scenes since he has turned things over to his son-in-law. It is said that he is a policeman, too, and that he has moved into Tha Muang district and is running a large-scale operation, including opening an illegal gambling den, killing people for money and transporting smuggled timber. To find out who these people are, it's necessary to go to the province. But it is not clear whether they are in the Muang District Police Station or the police precinct.

In Nakhon Pathom, it is a well-known kamnan there who is behind things, including the theft of trucks and the assassination of people. He has many people working for him. There are both old and young ones since all kinds are hired. At present, there are reports that his son is old enough to take over the work. He is a master sergeant.

The South--A Crowded Place

In reaching the south in Prachuap Khirikhan Province, the ringleaders live in Thap Sangae District. Here, the dark influences work as a team, with the politicians, kamnans and merchants working together. They smuggle timber, ore and all types of goods by boat. Even refrigerated trucks that go through here disappear. Their sphere of operations is so large that they once invested in publishing a daily newspaper in the center.

There are thought to be many dark influences in the southern provinces. There were once reports that Lieutenant General Han Linanon, the commanding general of the Foruth Army Area, called a conference in order to warn 40 people. All of them brought notebooks with the biographies of government officials.

For example, in Chumphon Province, the dark influence is a young Chinese cripple from another locality. His wife serves him and has contact with the wives of high-ranking officials in the province. His wife operates a cold-storage, fish-selling business. They have gained influence by assassinating people.

In Fanong Province, the dark influences have good positions. They are bankers and owners of gasoline stations. They deal in smuggled ore and all kinds of smuggled goods. They once ordered the kidnapping of a godfather in the province. But the law can't touch them.

Concerning the dark influence in Phuket Province, it is said that he lives in Phangnga Province. He is a 30-year-old kamnan whose activities are very harmful to the country. Behind his house, there is a canal that flows to the Sarasin bridge and into Phuket Province. But now, it is said that he has purchased six houses since he is suspected of having killed a "judge" and an ore merchant named "Ko Lon," which is a story that is much in the news these days. It is not certain which house he lives in. He is heavily involved in trafficking in smuggled ore, and he is the one who stipulates the price of the smuggled ore. He has opened a gambling den, too. He does things to harm his enemies or those who will not follow him. And he has killed many people. He is able to survive because of his great financial power.

Another young man in his thirties who lives in Thung Song District in Nakhon Sithammarat Province is known as "Wa San." He is a very clever person who speaks elegantly and politely. But he is very dangerous. He comes from a poor background but now has millions of baht. He engages only in the smuggling of ore since he is involved with every ore smuggler in Nakhon Sithammarat Province and the nearby provinces. He became well-known during the time of the "Khao Sun" affair. He is said to be related to a former director-general of the Police Department.

As for Muang District in Nakhon Sithammarat Province, the two numbers racketeers are two brothers known as "Khon Keng" and "Ban." But what is even worse is that they like to make money by giving false testimony in court, and this destroys justice in society. They also employ gunmen to harass the villagers.

In Hat Yai District in Songkhla Province, the dark influence is known as "Sia Chu." He runs a gambling den. The Suppression Division sent forces to arrest him at the beginning of the year. But nothing ever came of the case. There are no prominent dark powers since the police have arrested them.

In Sungai Kolok District in Narathiwat Province, the dark influence is known as "Ko Sien." He runs a prostitution ring and provides prostitutes for visitors. This is because "Ko Sien" is the person who takes responsibility for taking care of visitors. He takes care of everything for the visitors.

These are only a few of the examples that could be given since there are dozens of other dark influences or evil powers in the south who are still untouched. The reason that they have been able to survive is that they have made great profits from smuggling ore and timber, operating illegal gambling dens, running numbers games, smuggling goods across the border, trafficking in heroin and other narcotics and [pimping for] the prostitutes who abound in Thailand's southern border provinces.

The North--The Weather Is Generally Clear But There Is Some Fog

Looking at things in the provinces north of Bangkok, in Pathumthani Province, it is well known that the main item that is smuggled here is meat. The dark influences are national politicians. It is believed that they were involved in the assassination of four vote getters, which is having a great effect there.

Moving northward to the provinces in the actual northern region, there are very few prominent dark influences. In Lom Sak District of Phetchabun Province, soldiers there have the greatest power. If you want to know something, you can ask. If they tell you, you will know everything. Everything has a price.

In Phrae and Chiang Mai provinces, the "politicians" and "prominent citizens" who own tobacco curing plants have good relations. One group sells machinery, accepts construction contracts and pulverizes rock. Another group fells trees and smuggles ore. They use the same gunmen to kill villagers. If things get difficult, they hide each other. Their sons have opened a gambling den in Chiang Mai with the influence of their politician fathers. This has caused great turmoil throughout the province.

The northeast--A Developing Area

Northeastern Thailand, which used to be the dry and arid spot in Thailand, is now developing rapidly. Also, foreign currency sent back by laborers working in the Middle East is flowing into the northeast. Thus, the economy of northeastern Thailand is making great progress. Thus, the profits to be made are attracting people. In particular, Khon Kaen Province is becoming well known and is becoming a center for the hired gunmen of various groups. They are used to intimidate those who interfere with profits and to build up dark influence to threaten the villagers. Some of the things that have generated great profits are gambling, the numbers racket and narcotics, including marijuana and heroin.

"Sia Mangkon" who holds interests in hotels, is considered to be an important force in the criminal world here. He has opened gambling dens and runs the big numbers racket in the province. Wherever he goes, he is protected by gunmen. He was once shot while on business in Bangkok but he lived. The gunmen who work for him are Mr Yee, Mr Sathien, Mr Thoeak and Mr Pa.

Concerning Sia Si, who was shot and killed on 15 July, the police learned that he had enemies everywhere. The gunmen who worked for him were Mr Boem, Mr Khom, Mr Wichien, Mr Manot and Mr Aet (this last man was dismissed just before the killing).

It is known that a "bar owner" in Khon Kaen Province is involved in the massage parlor business, too. He likes to employ gunmen and uses them to increase his prestige and dark influence. He can be hired to assassinate people throughout the province. The professional gunmen in his employ include Mr Ut, Mr Yat, Mr Tu, Mr Manoi and Cha Phat.

"Prathuang Ruong Rong" employs professional gunmen in order to increase his evil power. These gunmen include Mr Sung, Mr Suwan and Mr Pramuan.

An influential gasoline dealer in Khon Kaen Province is known as a person who is involved with gasoline smuggling. Most of the gasoline that he sells is stolen gasoline that has been smuggled here from other provinces such as Singburi, Nakhon Pathom, Bangkok, Phetburi and Suphanburi provinces. He is a major buyer of stolen goods, and he has financial influence. He uses gunmen on occasion.

The numbers racket in Ubon Ratchathani Province is run by "Mrs Toi." Her husband is a merchant but he loves gambling above all else. He is thought to be an important person in various government circles since he is a businessman who sells books and textbooks. He is thought to be poor and so the law will catch him some day.

A national-level dark influence in Ubon Ratchanthani Province who is known nationwide is a politician who is involved in smuggling timber and liquor. It is said that his influence extends throughout several provinces in the northeast. At present, he has high political ambitions. He is like a tiger with great dark power who is above the law and who can do anything he wants. If such people are allowed to remain, what will the future of the country be?

A major numbers racketeer in Maha Sarakham Province is a person who sells radios. It isn't necessary to say much about him since local government officials know him very well. He trades in various types of smuggled goods that earn a good profit for him. But what has increased his dark influence is the villagers' belief that he has had secret contact with government officials in overturning court cases. His brother-in-law controls the gunmen, which has also increased his power.

The East--Things Are Still Quiet

In the eastern part of Thailand in Chanthaburi Province, dark influences have arisen from the gemstone mining activities. Two families are involved. War weapons have been accumulated and used to threaten each other. From saying just this much, the police will know all about this since the two sides were once partners. They later had an argument and split apart. Later on, things died down because an army general got them to reconcile. Thus, the situation is like a volcano that is [temporarily] inactive. They have hidden the war weapons, and no one has been able to find them.

Then there is a well-known and handsome kamnan who lives along the eastern seaboard in Chonburi Province. He has gained dark influence by trading in smuggled goods. He makes use of the Gulf of Thailand to make profits. He has contact with people in other localities in order to smuggle goods in cooperation with people along the coast of Phetburi, Prachuap Khirikhan and Chumphon provinces. He gives them a share of the profits for protecting the goods there. There are many gunmen. But the ringleader is a young man who is very good at public relations and who expects to profit. He is kindhearted and so he has gained many supporters. He is a very influential person.

Summary

As for why the influential people or dark powers have been able to go scot-free and threaten the country just like other criminals but without being punished in accord with the laws of the country, people who are well-versed in the law have told SU ANAKHOT that there are four main reasons for this:

1. There have not been any witnesses or evidence.
2. Police officials arrest people but then help look for loopholes in the laws to save them since they are paid bribes.
3. There are honest police officials but the financial power of the criminals is just too great. The judicial officials order that cases be dismissed.
4. Higher judicial officials can grant pardons to the criminals based on legal loopholes if people give them satisfaction.

As for the officials in other sectors, about whom there are rumors that say that they are using the "eye for an eye" method in order to "eliminate the dark influences" using secret methods such as forming "death squads," if this is really being done based on strong ideals, they are making great sacrifices for the country. Even though such units are illegal and violate the principles of a democratic form of government, they should still receive the gratitude of all honest people. But if that wonderful image changes and the authorities really don't take action

to get rid of these people, it will just be like "using a picture of a tiger to scare the cow." Or the dark influences may give bribes. These units will themselves become a "war factor" just like other units that have been formed. They will be dark influences and evil powers like "shell crabs that live in the shells of other shellfish." That is, they do not have influence or power themselves without the "shell."

However, SU ANAKHOT realizes that a unit is composed of many people, some of whom are good and some of whom are bad. But the unit can still function well because the good people are in the majority. As for the bad people, who are in the minority, in some cases, they are not this way due to some inborn trait that they can do nothing about. Thus, the good people who form the majority must serve as the prime movers in helping to protect and improve the environment so that this minority of bad people can rejoin the majority.

11943

CSO: 4207/148

TRIBAL REFUGEES IN NAN SAID TO DESTROY FORESTS

Bangkok KHAO CHATURAT in Thai 22 Aug 83 pp 38, 39

[Article by Dr Wichitwong Na Pomphet: "Thung Chang"]

[Excerpts] Thung Chang District is one of the many districts in Nan Province. When I arrived, I was welcomed by the district officer, Mr Kanok Duangngoen, who talked with me about the situation in Thung Chang and greatly increased my knowledge.

Thung Chang is the northernmost district in Nan Province. The district headquarters building is located along Highway 1080, which is known as the Nan-Thung Chang Highway. This highway passes through Tha Wang Pha, Pua and Chiang Klang districts. Thung Chang District is about 90 kilometers from the provincial seat.

The terrain of Thung Chang District is mostly mountainous jungle. The plains area along the river accounts for only 25 percent of the total area, which is approximately 1,055 square kilometers. It borders Laos in both the north and the west. Ban Huai Kon in Pon Commune is the village that is closest to the Thai-Lao border; it is only 4-5 kilometers from the border. Approximately 13,800 people live in the district. There are Thais and tribesmen from various hilltribes, such as the Hmong, Thin and Khamu.

"The problem in Thung Chang District," explained the district officer to me, "is the lack of land for farming. There is very little land. Besides this, there is a lack of capital. And so the people are very poor. Another problem concerns the destruction of the forests. Wherever hill tribesmen are living, the forests there have suffered great destruction. Because besides the fact that there is little land for farming, the hill tribesmen prefer to engage in shifting cultivation. But the people in Thung Chang are thrifty. Even though yields and incomes are low, they are not in debt to anyone."

The rice yields in Thung Chang District are not sufficient to feed the people in the district. This is because of the shortage of land as mentioned above. Most of the rice is grown on hillsides. Considered from one point of view, this is very beautiful. Oranges are grown along the banks of

the Nan River. Besides this, cotton and peanuts are grown. What is very sad is that more and more of the forest is being destroyed every day.

Before the administrative system in Laos changed, Thung Chang District had fraternal relations with Chiang Hon and Hong Sa districts in Laos since that area used to be part of Thailand. People frequently crossed back and forth to visit each other. When the situation in Laos became tense, refugees crossed over into Thailand. These included Khamu and Hmong tribesmen. The district officer told me that the Khamu are very diligent in earning a living. As for the Hmong, they are experts in destroying the forests. When the Hmong refugees crossed into Thailand and mixed with the Thai Hmongs, the forests in Thung Chang District were destroyed even faster.

Thung Chang District does not seem to have many natural resources, with the exception of timber. Most of the trees are hard-wood trees. But the trees are almost all gone. However, some people believe that there are important mineral deposits here. But, as yet, no surveys have been made. Thus, the economic structure of Thung Chang District has to be supported by agricultural activities, and, as mentioned, there is not enough land for this.

Because its economic structure and system are weak, because it is a district that borders a country that has an administrative and economic system that differs from that of Thailand and because of various other factors, Thung Chang District is an area that has been infiltrated by communist terrorists. An important operations base of the communists was known as the "Pang Kae base." But now, the situation has improved greatly. Peace was restored in the wake of the suppression activities and political fighting, in which the government forces proved to be very efficient. At present, people can travel anywhere in the district in safety. This includes travelling along the Pon-Huai Kon Royal Highway, which is surrounded on both sides by great scenic beauty.

There are three roads up to the CPM [civil, police, military] monument, which is located on a hill at Ban Huai Yang in Thung Chang commune. The surrounding area is a public recreational area. But this monument is not just an important tourist attraction in Thung Chang District. It also serves to warn people who visit there that once in this area, Thai blood was spilled because of an attempt by Thais to persecute other Thais for meaningless profit.

11943

CSO: 4207/150

INDUSTRY MINISTER PROPOSES CUT IN TIN ROYALTIES

Kuala Lumpur BUSINESS TIMES in English 2 Aug 83 p 2

[Text]

BANGKOK, Aug. 1
THAI Industry Minister Ob Vassaratna plans to propose a drastic cut in tin royalties from 4,000 baht to 700 baht (from \$400 to \$70) per picul.

The Minister told the Bangkok Post newspaper that the purpose of the reduction was to prevent the smuggling of tin to neighbouring countries.

However, the new rate would not be a flat rate but will be based on the price of the commodity in world market. If the price goes up, the royalty rate will also go up accordingly, he said.

A sliding scale of the royalty rate had also been completed, he added.

He said the reduction of the royalty would be the most effective way to suppress tin smuggling which had become a very lucrative business because Thailand's tin royalty rate was much higher than those of neighbouring countries.

He added that although the country would suffer some loss because of the reduction, it would earn more in the long run.

Mr Ob said he would submit his proposal to the Cabinet during its next meeting.

CSO: 4200/872

INCREASED AUSTRALIAN, NZ AID COMMITMENTS

Apia THE SAMOA TIMES in English 22 Jul 83 pp 1, 2

[Text] Both Australia and New Zealand have increased their commitments to Western Samoa.

Australia's aid package to Western Samoa over the next five years is A\$27 million, according to Prime Minister Tofilau Eti Alesana.

And New Zealand has increased its aid to NZ\$ 5.8 million for the 1983-84 financial year.

Australia's aid to Western Samoa is as follows: A\$4.9 million for 1983- 84 A\$5.2 million for 1984-85 A\$5.45 million for 1985 - 86; A\$5.65 million for 1986 - 87; and A\$5.8 million for 1987-88.

The Australian aid package was announced last week by Dr Dun, the head of the Australian Development Assistance Bureau, and Mr. Campbell, a senior official of the bureau, during a visit to Apia.

Hon Tofilau said the Australian officials had made it clear that the amount of aid given to Western Samoa over the five year period was limited by Australia's current economic recession.

However, Australia was prepared to review its aid programme if economic conditions improved, or suggested aid projects were considered viable.

Western Samoa would also get other assistance under Australia's Import Grants Scheme and regional aid Scheme. Aid already given to Western Samoa under these categories include \$333,000 for forestry development and \$192,000 for the purchase of an aircraft for Polynesian Airlines.

Some of the main projects to be funded by Australian aid for 1983-84 include the Savaii south coast road; cocoa rehabilitation; rehabilitation of the dredge; capital equipment for Samoa Forest Products; rural water supply; assistance to WSTEC's development programme; salaries for expatriates; scholarships and airport development.

New Zealand aid for 1983-84 amounting to NZ \$5.8 million will go towards the following projects

Ground water drilling; Apia and rural water supply; civil aviation; agricultural stabilisation scheme; animal health service; livestock and meat marketing system; Vaivase Technical Institute; inservice training and scholarships; National Hospital maintenance and management; general health assistance; development of power stations; small projects and others.

CSO: 4200/871

RISE IN 1982 EXPORTS REPORTED

Apia THE SAMOA TIMES in English 29 Jul 83 pp 1, 2

[Text] Western Samoa's exports for 1982 showed a considerable improvement over 1981, even though major export figures were less.

According to the Annual Statistical Abstract for 1982, just released by the Department of Statistics, Western Samoa's exports for 1982 totalled \$16,247,500 compared with \$11,148,500 the previous year. The major reason for the rise is the increase in Other Export figures which rose drastically from \$3, 123, 300 in 1981 to \$8,508,200 in 1982.

Imports were also held down to a level of \$60,116,500 from \$68,659,200 in 1981.

Major exports for 1982 with 1981 figures in parentheses were as follows: copra \$2,760,400 (\$3,923,600); taro \$2,126,100 (\$2,136,200); timber \$1,270,700 (\$288,500); cocoa \$985 400 (\$1,436,400); bananas \$596,700 (\$240,500). The figures show that timber has overtaken cocas as the third biggest primary export.

Significant improvements were achieved in the export of food products \$5,772,900, beverages (\$792,200) and non-food products (\$1,943,100) for a grand total of \$8,508,200.

Most of Western Samoa's exports went to the United States (\$4,646,600) followed by New Zealand (\$4,399,500), Australia (\$1,587,000) American Samoa \$1,547,800, Japan (\$1,283,100) and others.

Imports during 1982 totalled \$60,116,500. The value of the imports in descending order is as follows

Manufactured goods \$13,917,000; food and live animals \$13,269,900; machinery and transport equipment \$10,955,100; petroleum products \$9,213,700; miscellaneous manufactured articles \$4,294,200; echemicals \$3,502,900; animal and vegetable oils and fats \$2,154 300; crude materials \$1,501 700; beverages and tobacco \$1,132,600; other \$99,900.

Results to date indicate that 1983 exports will be even bigger.

MINISTER WARNS OF TIMBER DEPLETION

Apia THE SAMOA TIMES in English 29 Jul 83 p 14

[Text] The Minister of Agriculture, Hon Jack Metzler, says unless corrective action is done now the region's forest resources will continue to be depleted. The minister was opening a two day regional seminar on wood utilisation at Angie's Hotel Tuesday.

"Many countries of the world including our own Pacific region have expressed concern over the substantial and increasing rate of destruction of their tropical forest resource base. Some have realised this earlier than others and have already taken precautionary measures to overcome the problem", the minister said.

"Others, however, have not been so resourceful and may have to fall back on timber imports to meet their demands while plantation forests are being established.

"Our own Pacific island countries are now faced with the problem of having to satisfy increasing demand for wood products from decreasing areas of forests and unless corrective measures are taken now, the future of forestry and forest industries in our region will remain unstable", Hon Metzler said.

Western Samoa's own forest resource had diminished at an alarming rate from about 70 per cent in the early 1950's to 52 per cent today, and this rate was expected to further increase in the future.

"About 1000 hectares of good forest are lost each year to agricultural land clearing and other unprofitable operations and it is expected that our remaining forest resources will disappear in the next 12 to 25 years", he said.

He suggested that the meeting consider the following remedial actions:

1. Acquisition of fuller and more reliable updated knowledge of existing forest resources.
2. Creation of new resources through the establishment of plantation forests.
3. Improved productivity of resources through more intensive management.

4. More efficient use of the resource through improved harvesting and use. Actions taken by the Western Samoan government to safeguard and control wasteful exploitation of its forest resources include:

1. An embargo on all logs and flitch exports.
2. Maximum local processing of wood and wood products.
3. Maximum use of low quality species and forest residues for wood-fuelled power generation and so on.

The seminar is funded by the New Zealand government and assisted by Samoa Forest Products and the Development Bank of Western Samoa.

It was attended by representatives from Fiji, Papua New Guinea, Solomon Islands, Niue, Cook Islands New Caledonia, Tonga and Western Samoa.

CSO: 4299/871

BRIEFS

ECONOMY IMPROVES—Western Samoa's foreign exchange is definitely improving, according to Prime Minister and Minister of Finance, Hon Tofilau Eti Alesana, yesterday. He said the \$8 million tala credit line allowed by the International Monetary Fund in the form of Special Drawing Rights has greatly improved the situation. Exports have also improved considerably. So far exports are in excess of \$6 million compared to the same period last year. "This is perhaps due to devaluation and improved prices for cocoa, copra and bananas", Hon Tofilau said. The price of bananas has recently been increased by 80 sene a case. As for government finances, Hon Tofilau said revenue now exceeded expenditure, the result of strict monitoring and elimination of unauthorised expenditure. "I don't have the exact figures but I think revenues are now \$4 million in excess of expenditures", he said. [Apia THE SAMOA TIMES in English 29 Jul 83 pp 1, 2]

CSO: 4200/871

MILITARY AFFAIRS AND PUBLIC SECURITY

DEPARTMENT STORE EMPLOYEES' CRIMINAL ACTS DENOUNCED

Hanoi LAO DONG in Vietnamese 21 Jul 83 p 6

[Article by Ngo Phu Giang, Binh Tri Thien Province, in the column "Letters During the Week": "Severe Punishment Needed"]

[Text] On 18 April 1983, the Ben Hai District Inspection Board, concentrating specialized investigations on cloth items at the Cum Gio Linh (Binh Tri Thien) department store, found that 100 percent of the people in the store had violated the state's principle and economic management system by providing a helping hand to merchants.

The amount of material imported during 1982 was 40,007 meters to exchange or purchase merchandise and to sell to cadres and workers in this area. Each person would get 1.5 meters of material on the average if bought. Through investigation, however, it was determined that a person only bought 0.6 meter on the average while cadres and workers in the store bought an average of 188 meters per person. Of the store's 38 people, the people buying the most were: Tran Thi Vien (774 meters), Nguyen Thi Hong (240 meters), Thi Ly (210.85 meters), Thi Huong (260.55 meters) and Nguyen Trong Truong, the store manager (309 meters). People buying the least were Thi Hoe and Thi Lien (29 meters), etc. They joined in siphoning off to separately sell 5,909 meters to merchants for profit. Bad public opinion about this store has long existed, but nothing has been stopped. So far, only the face of this reprehensible gang has been clearly exposed.

We request the district's and province's legal organs severely punish those who violate socialist property and those who cover up for them.

6915

CSO: 4209/497

INTERNATIONAL RELATIONS, TRADE AND AID

RUSSIAN TEXTBOOKS TO BE COMPILED FOR VIETNAM'S COLLEGES

Hanoi NHAN DAN in Vietnamese 29 Jul 83 p 4

[VNA News Release: "The Soviet Union and Vietnam Cooperate To Compile Textbooks in Russian"]

[Text] Recently, in an interview with a TASS reporter, V. Nazarov, director of the Russian Language Publishing House (in the Soviet Union), said that Soviet and Vietnamese linguists have begun compiling a series of textbooks in Russian for use in Vietnamese colleges. The authors of these textbooks are faculty members of the Moscow National University, Pushkin Russian Language Institute, P. Lumumba University of Friendship Among Nations and the University, Polytechnic College and College of Agriculture in Hanoi.

V. Nazarov emphasized that Soviet and Vietnamese language experts had successfully cooperated with one another in compiling textbooks for Vietnamese general middle schools. The complete set of textbooks will be printed in 1985, but today the Russian Language Publishing House is reprinting the first-lessons books.

Each year the publishing house prints and issues more than 10 books specifically for Vietnam -- dictionaries, conversations, textbooks, etc. Each title is printed in tens and hundreds of thousands of copies. This is one of the major work programs of the publishing house.

The cooperation between the Soviet and Vietnamese linguists also helps to widen the publishing of scientific and technical dictionaries. According to plans, it will publish a biology dictionary (containing nearly 15,000 terms about animals and plants in Europe and Asia), a natural sciences dictionary specifically for college students, etc. The Russian Language Publishing House also intends to print Russian and Soviet literary works for people who learn the Russian language.

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

GIFTS FROM FRANCE--On 25 July, in Hanoi the Central Committee for Teenagers and Children organized an acceptance of the gifts from the French Humanitarian Aid Organization consisting of more than 5 tons of clothes of all kinds donated by the French people to the Vietnamese teenagers and children through this organization. [Text] [Hanoi NHAN DAN in Vietnamese 28 Jul 83 p 4] 5598

CSO: 4209/505

PARTY ACTIVITIES AND GOVERNMENT

MINH HAI TO PROMOTE FULL ECONOMIC, CULTURAL DEVELOPMENT

Hanoi NHAN DAN in Vietnamese 31 Jul 83 pp 1, 4

[VNA News Release: "Minh Hai Provincial Party Organization Congress (2nd Session) -- Total Economic and Cultural Development"]

[Text] The party organization of Minh Hai Province has just held its third congress of delegates (2nd session).

Vo Van Kiet, member of the VCP Central Committee Political Bureau, attended the meeting.

In the last 2 years, the party organization and people of Minh Hai made a lot of efforts, overcame many difficulties and gradually moved the economy and living conditions of the people in the province to new levels.

By practicing intensive cultivation to raise crop yields in its existing land, in 1982 Minh Hai increased its grain production by 17.5 percent over 1981, with the per capita average production being 665 kilograms a year. Many districts obtained the average yield of 3 tons per hectare per crop. In some specific areas, the yield was 6-7 tons per hectare.

Marine products, its second strength after agriculture, were the most important prong in the province's export. In 1982, Minh Hai had 89,000 tons of shrimp and fish, including 68,000 tons that were caught, or 15 percent higher than the goal set in its plan. Progress was made in processing and purchases. The export of marine products (mainly frozen shrimp) exceeded the assigned goal by 24.3 percent and thus created a momentum for development of the marine products and other economic sectors.

Minh Hai gradually built and developed the processing industry, paid attention to the machine repairs job and produced manual tools as it promoted the development of production in agriculture, marine products sector, forestry, etc.

The congress proposed the major goals and measures for the coming years in order to exploit better Minh Hai's economic potentials and to build it into a fully-developed province.

As an immediate goal, with about 300,000 hectares of land for rice-growing, Minh Hai considers intensive cultivation the leading measure to be taken, gradually creates the high-yielding rice cultivation zones, actively uses new rice varieties, switches the entire area for the long-term tenth-month rice to growing the early tenth-month rice, perfects the water conservancy network, mainly the medium- and small-size works, strives to get uniform crop yields in all zones, with an average yield of 3 tons per hectare in all of its cultivated area, and raises the total volume of grain production to 900,000 tons this year and more in the coming years.

The province is to gradually improve the economic-technical centers that serve the exploitation, cultivation, processing and export of marine products; to strengthen the material base for the processing job, with the existing installations being enlarged in order to quickly increase the frozen shrimp-processing capacity; to enlarge the areas devoted to shrimp raising and rice growing; and to strive to raise the volume of marine products to 90,000 tons in 1983 and to create a source of export goods of high economic values.

Addressing the congress, Vo Van Kiet pointed out that in the years ahead, the Minh Hai party organization must concentrate its leadership on economic development and the living conditions, mobilize the abundant working power and rich experience in production of the people in the province and create a new stage of development in the economy and daily life. He emphasized that it would be necessary to step up the application of science and technology to production and to organize the living conditions, with the immediate job being the training, both elementary and advanced, of the body of scientific and technical cadres. The province must concentrate its energy on building economic-technical centers to serve the processing job and strive to achieve by 1985 the processing of all products that would leave the province. Minh Hai must gradually put an end to the one-crop situation in agriculture; revise the allocation of crops and animals to be raised; extend the area in which agriculture, forestry and fishery would be combined at the same time; and create more commodities.

He reminded the Minh Hai party organization of the need to strengthen its party-building task, to maintain the solidarity-unification bloc, to raise the quality and capacity of party members, to take care of the working people's material and spiritual life, particularly in rural areas and former resistance bases, to properly exploit the province's multifaceted and abundant potentials and to build Minh Hai into an economically and culturally fully-developed province that makes even greater contributions to the country as a whole.

ECONOMIC PLANNING, TRADE AND FINANCE

HANOI COOPERATES ECONOMICALLY WITH PROVINCES, MUNICIPALITIES

Hanoi NHAN DAN in Vietnamese 27 Jul 83 p 2

[News of Hanoi column: "Economic-Technical Alliances With 11 Provinces and Municipalities"]

[Text] To date Hanoi has signed contracts with 11 provinces and municipalities to form economic alliances to help one another develop their potential in order to develop agricultural production, small industry, handicrafts, and industry and to expand commerce. In addition to implementing a plan to exchange materials, technology, and a number of agricultural products, Hanoi is helping the provinces with wood, bamboo, etc., make technical investments to produce wood pulp; to purchase paper-sizing machines with capacities of between 150 and 300 tons a year; to produce and preliminarily process wood items made from branches and tree tops in order to have additional raw materials for local industry, small industry, and handicrafts; and to produce and process tapioca to serve the lives of the people and for export. The Hanoi food sector has researched the technical procedures for processing manioc into products with high export value, while at the same time working with a number of provinces to grow much manioc and investing in the construction of material-technical bases in order to produce the above-mentioned products.

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ECONOMIC PLANNING, TRADE AND FINANCE

PROBLEMS OF HANOI RICE MARKET DETAILED

Hanoi PHU NU VIET NAM in Vietnamese 13-19 Jul 83 p 2

[Article by Thanh Binh: "What Should Be Done"]

[Text] In May and June of this year a rice problem arose in Hanoi. At the end of May the quantity of rice being brought into the city met only about 60 percent of its needs. Most of Hanoi's rice is supplied by the provinces of the Red River Delta and the Mekong Delta, but 85 percent of it passes through Hai Phong, so at times there was less rice than the transportation capability and at times there was rice but the transportation facilities did not arrive on time.

At the beginning of June, when the supply of rice was relatively stable, the Hanoi Grain Service guided the distribution of grain to the stores and the ratios according to which it was to be sold, in order to ensure that it was sold quickly and efficiently and that the full rice allotment for May was sold, so that the rice would remain in warehouses at a time when the people could not buy rice to avoid the situation of one store having rice while another had none.

By distributing rice in that manner we noted the emergence of two problems: the mode of distributing rice in the stores and the quality of rice that is sold.

Recently in Hanoi there has been applied the mode of assigning fixed quantities to state retail personnel and instituting a permanent rotational selling schedule. Many places have done a good job of carrying out that mode, which creates favorable conditions for cadres and workers to buy rice. Some stores, such as the Chau Long store in Ba Dinh Ward, clearly state on the back of the rice ration booklets the days on which rice can be purchased, which helps the customers save time, and give priority to headless households by allowing them to buy their full rice ration at one time. However, because their organization and management methods are not good a considerable number of stores cause difficulty and trouble which affect the time and health of the customers. The rice stores of the Kim Lien and Giang Vo collective housing areas, the store at 146 Son Tay Street in Ba Dinh Ward, etc., are examples. Because too many customers must be served and there is limited space, there often occur scenes of customers (most of them women and children) jostling one another and saving their places in line by leaving behind all sorts of things, such as bricks,

tiles, baskets, packages, etc., then wait under the searing sun by the street along the market. Furthermore, state retail personnel (such as those at the store at 146 Son Tay Street) have a very arrogant attitude and the stores (such as the Kim Lien store) do not inform the people when rice will be sold during the month, for example in May. The purchasing of rice has become a permanent worry of people who register there. That situation has lasted a long time, so why have the grain bureaus not taken steps to correct it?

Another matter with which customers are very concerned is the quality of products. According to statistics of the Hanoi Grain Service, as of 20 June (i.e. after two-thirds of the month had gone by), in the precincts only 23 percent to 33 percent of the households had purchased their June rice, although 1,470 tons were in warehouses in the four inner-city wards on that date! In addition to the reason that people had just purchased their May rice, another very important reason was that the quality of rice determined the rate at which rice was purchased. The recent rice deliveries have been yellow rice and red rice, mixed in with much chaff, pebbles, etc. According to the Grain Service, more than 30 types of rice are sent from the south but it is very difficult to find out how much there is of each type so that they can be distributed. Furthermore, the uniform rice price of .4 dong per kilo provides state retail personnel a convenient opportunity to save the high-quality rice for their friends and to "feed" the rather large number of private dealers who are continually hanging around the rice stores. On the market there is a considerable disparity between the price of high-quality rice and the price of poor-quality rice. Sometimes people who buy rice of very poor quality have to sell it to the private dealers, then the rice finds its way back to the rice store, where it is exchanged for high-quality rice. Such "barter" takes place at the end of the shift, when there are few customers.

In addition to purchasing, shipping and receiving, and maintaining the quality of rice at the source and during transportation, we believe that council were far preliminary classification before the rice is distributed, and there must be a number of price readjustments of the various kinds of rice so that the prices can be appropriate (for even manufactured goods are classified as first-quality and second-quality products). The clear determination of the quantities and prices of the various kinds of rice and will facilitate control and reduce negativism in the distribution of rice to consumers, in order to correctly observe the words of Council of Ministers Chairman Pham Van Dong, who admonished the grain sector to "Go all-out to sell rice when the people need it, in the correct amounts, and ensure quality."

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ECONOMIC PLANNING, TRADE AND FINANCE

STATE STORE FAILS TO KEEP PROMISE TO SELL BRAN

Hanoi NHAN DAN in Vietnamese 22 Jul 83 p 2

[Letters From Readers Column: "Failure to Keep Promises"]

[Text] At the end of 1982 the Da Lat foodstuffs purchasing station announced that it was buying pork from nonagricultural households at the negotiated price of 47 to 53 dong per kilogram. The station would sell bran at 4.5 dong per kilogram at the ratio of six kilograms of bran sold for every kilogram of live pork purchased.

However, the station did not keep its promise regarding the selling of bran. On 15 March I took my coupon to the bran counter and saw a sign which stated, "Register on 1 April." On the morning of 1 April an employee told me to come back on 16 April to pay for the bran. I returned on 16 April and was told that the matter would be taken care of on 28 April. But on 28 April there was only a sign which read, "We're out of bran. We will take care of customers when we have some." After that, the bran counter was always closed. The station didn't receive bran until 30 May and could only take care of people who sold hogs before November 1982. The station would not make appointments to sell bran to people who sold hogs after that date. During that time there were large quantities of that type of bran available at the Da Lat market at the price of 12 dong per kilogram!

Minh Phuong
(Da Lat)

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ECONOMIC PLANNING, TRADE AND FINANCE

BRIEFS

MORE BANK ACCOUNTS--Along with overfulfilling its overall goal set for purchasing grain in the fifth-month and spring season, the Municipality of Hue (Binh Tri Thien Province) is stepping up the collection of industrial and commercial taxes. Up to the present time, the municipality as a whole has 6,560 households having registered for business with turnovers totaling 58.6 million dong, an increase of 3.2 times over the old turnovers, and with new levels of taxes totaling 7.8 million dong, an increase of 4.1 times over the old tax levels. By the end of July, 4,993 households (76 percent of the business households), including 779 large and medium ones, have opened bank accounts for depositing purposes. The management boards of markets in the municipality have increased inspection and control to make sure that all business households would post prices and sell at these prices. [Text] [Hanoi NHAN DAN in Vietnamese 29 Jul 83 p 1] 5598

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AGRICULTURE

BAC THAI ENDEAVORS TO INCREASE SUBSIDIARY FOOD CROP AREA

Hanoi NHAN DAN in Vietnamese 22 Jul 83 p 2

[Article by Nguyen Non Nuoc: "Can Bac Thai Rapidly Increase Its Subsidiary Food Crop Area?"]

[Text] Of the total natural land area of 649,000 in Bac Thai, only 10 percent is agricultural land. Every year about 70,000 hectares are planted during the two rice seasons. The province has a population of 800,000, including more than 300,000 workers, more than 40 percent of whom are engaged in agricultural production. In that situation, if the province relies only on rice it cannot solidly resolve the food problem in the sphere of the province.

Bac Thai has more than 200,000 hectares of denuded hill land, slash-burn fields, and bottomland. There are many hilly areas with gently sloping land which are suitable for the development of subsidiary food crops. Clearly realizing the position of subsidiary food crops in the grain crop structure, since 1976 the province has utilized many policies and methods to develop the various kinds of subsidiary food crops and gradually increase the ratio of subsidiary food crops in the people's diet. In 1977 the province planted 7,700 hectares of manioc and in 1978 increased its manioc area to 7,900 hectares. In 1978 the province planted more than 5,000 hectares and more than 3,400 hectares of sweet potatoes. But it is regrettable that since 1980 the area planted in subsidiary food crops has not increased appreciably and has tended to decline. In 1982 the manioc area amounted only to a little more than 6,000 hectares. The ratio of subsidiary food crops in the total grain output was only 17 percent. The corn and sweet potato areas also failed to increase. The districts of Na Ri, Cho Don, and Vo Nhai have large areas planted in corn, manioc, taro, etc., but have not expanded those areas very much. Na Ri District can expand its corn area by 2,000 or 3,000 hectares, but every year it only plants a few hundred hectares. The districts of Dai Tu, Dinh Hoa, Phu Luong, and Bach Truong, and the districts in the southern part of the province, have gently sloping hill land which can also be used to double or triple the present manioc area. Dai Tu District can zone a concentrated manioc-growing area of between 1,200 and 1,500 hectares. The districts of Phu Binh, Pho Yen, and Dong Hy have much sandy loam soil which is suitable for sweet potatoes. But every year those districts have failed to rapidly increase their sweet potato and manioc areas.

Bac Thai has paid attention to intensively cultivating, and increasing the

yields of, subsidiary food crops. However, the corn, potato, and manioc areas have not been increased and stabilized. In 1978 the spring corn yield was only 12.7 quintals, the sweet potato yield was 56 quintals, and the manioc yield was 6 to 7 quintals per hectare. The yields of those crops have stood still. Although there has been no notable development, the annual subsidiary food output still plays an important role in stabilizing the living conditions of the people in the province. On the average, every year Bac Thai has more than 50,000 tons of fresh manioc which can be used to process 15,000 tons of dry sliced manioc. In 1982 the province had a plan to purchase 5,000 tons to be used to balance grain. In the rural areas corn, potatoes, and manioc account for a notable part of the diet.

A matter worthy of concern is that the land and labor potentialities are still very great, but the subsidiary food crop area cannot be rapidly increased. The following conclusions may be reached:

First, because guidance is lacking some places have not yet truly paid attention to subsidiary food crops. The zoning of specialized subsidiary food crop areas has not been carried out promptly and the necessary conditions for meeting the needs of producers have not been created. The province has guided the expansion of the subsidiary food crop areas, especially the area planted in manioc, and has transferred many workers from the nonagricultural production sector to manioc-growing sites, but it has lacked intensive cultivation technical measures. Therefore, many places expanded their subsidiary food crop area but harmed the soil, which led to low productivity and output. When it shifted over to guidance of intensive cultivation there was a lack of appropriate investment by the state. Every year the province assigns plans to the districts so that they can expand their subsidiary food crop areas, but there is no fertilizer investment plan. The cooperatives draft plans to grow subsidiary food crops but have no plans to produce fertilizer so that they can practice intensive cultivation.

Second, the management structure regarding the production of subsidiary food crops must be improved. Most of the subsidiary food crops are produced by the peasants and there are as yet no appropriate contracting-out forms for increasing the producers' consciousness of responsibility and benefit in developing subsidiary food crops. Therefore, subsidiary food crop production in Bac Thai is still in a situation of self-sufficient, small-scale, fragmented production. In addition, there is no appropriate incentive policy. The producers of subsidiary food crops must consume an excessively high proportion of them. That situation has led to many places wanting to grow subsidiary food crops but only growing dry rice.

Third, the subsidiary food crop production plans that have been drafted have not been accompanied by purchasing, transportation, and processing plans. In recent years the tasks of digging, processing, and transporting manioc, sweet potatoes, etc., have not been coordinated, which has caused a good deal of waste. One year the Bac Thai grain sector bought fresh manioc in the mountain-region districts and transported it to the cities and industrial zones. By the time it reached the consumers it had deteriorated. Most of the subsidiary food crops grown in Bac Thai are consumed by the peasants. Many difficulties are encountered in preliminary processing, and products have not been promptly

transported but allowed to pile up or spoil, which creates difficulties in balancing grain in the sphere of the district, and the utilization value has not been increased. At Cho Don the peasants grew 600 to 700 hectares of manioc in 1980-1981. During the preharvest period there were thousands of tons of manioc tubers but they were not dug up and processed so that they could be made part of the diet of cadres, workers, and civil servants. In fact, the production of subsidiary food crops in Bac Thai has not yet truly brought about good economic results, and subsidiary food products have not yet become commodity products. Several years ago the state restaurant sector of Bac Thai successfully processed many tasty dishes from manioc, corn, and potatoes (both dried and fresh). But that work was not maintained and disseminated widely to the districts, villages, and peasants.

In Bac Thai, a province situated in the midlands and mountain region, the production of subsidiary food crops is a strength by means of which it can balance its grain needs. During the 1982-1983 winter-spring season Bac Thai expanded its subsidiary food crops area to 18,400 hectares, an increase of more than 40,000 over the previous year's winter-spring season. Of that total, manioc accounted for 7,000 hectares and sweet potatoes accounted for 4,000 hectares. It is endeavoring to intensively cultivate corn and sweet potatoes in order to attain an output of 18,000 tons in paddy equivalent. In 1983 the Na Ri corn area planted 1,200 hectares, an increase of nearly 50 percent over 1982. The Dai Tu and Bac Thong manioc areas have plans to plant 700 to 1,000 hectares. The province is endeavoring to increase its subsidiary food crop ratio from 17 percent (1982) to 25 percent (1983).

In order to attain those objectives Bac Thai is strengthening its plan guidance and setting up concentrated, stabilized subsidiary food crop production areas in order to practice intensive cultivation and increase crop yields. The districts with corn areas must, in addition to clearing wasteland, expand the growing of subsidiary food crops on rice land in order to have conditions for practicing intensive cultivation, rapidly increase the land use ratio, and restrict the destruction of forests. The districts with manioc and sweet potato areas must adopt a crop rotation formula and have rational crop structures in order to do a better job of using agricultural land to produce subsidiary food crops. An "everyone and every family grows subsidiary food crops" movement must be launched. The development of subsidiary food crops must be tied in with development of the hill-land economy. Expanding the subsidiary food crop-growing area and investing in intensive cultivation must be accompanied by transportation and processing plans in order to create commodity value. The state must have an appropriate incentive program with regard to the areas producing many subsidiary food crops, have plans to purchase preliminary processed subsidiary food crops, etc. Those are ways to rapidly expand the area planted in, and intensively cultivate, subsidiary food crops. Clearly recognizing its deficiencies and seeking all ways to correct them, Bac Thai is making progress in guiding and organizing the districts and bases in expanding the area planted in, and intensively cultivating, subsidiary food crops, in order to balance grain needs in the sphere of the province.

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AGRICULTURE

TAY NINH DISTRIBUTES LAND, TRAINS CADRES

Hanoi NHAN DAN in Vietnamese 23 Jul 83 p 1

[Unattributed article: "Tay Ninh Distributes 11,563 Hectares of Land to Peasants, Trains 3,500 Production Collective and Agricultural Cooperative Management Cadres"]

[Text] Since the beginning of 1980 Tay Ninh has actively adjusted land and eliminated exploitation in the rural areas, combined with the setting up of solidarity teams, production collectives, and agricultural cooperatives. In 1982 the province distributed 3,996 hectares to peasants with little or no land, which increased the total amount of land adjusted to 11,563 hectares and the number of peasant families receiving land to 12,095. The places which completed the adjustment of land began to set up solidarity teams and production collectives. To date the province has set up 1,850 production solidarity teams, 240 collectives, and 7 agricultural cooperatives.

In order to gain experience the province guided the setting up of a model collective in An Hoa village, Trang Bang District, and transformed the village's collective No 1 into the province's advanced model collective. In the past families worked their own land, but collective No 1 completely consolidated and collectivized 27 hectares of land, distributed according to labor, improved management, and applied the system of contracting out production to workers. Tay Ninh is expanding that experience to the other places. In order to create favorable conditions for the rapid, solid development of the agricultural cooperativization movement, the province has trained 3,000 collective management cadres and 500 agricultural cooperative cadres.

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AGRICULTURE

NORTHERN PROVINCES URGED TO SPEED UP GRAIN PURCHASES

Hanoi NHAN DAN in Vietnamese 28 Jul 83 p 2

[Article by Deputy Minister of Grain Dang Van Lan: "Let Us Strive To Reach Total Level of Grain Mobilization in the North"]

[Text] The mobilization of the 1983 fifth-month and spring grain is being stepped up in the northern localities. As of 25 July, the northern provinces have mobilized a volume of grain converted to paddy equivalent amounting to 102.8 percent of the early-season delivery plan goal, or 93.4 percent of the supplemental plan goal. Twelve provinces and municipalities, 84 districts and 2,367 agricultural cooperatives fulfilled their early-season delivery plan. Nghe Tinh, Vinh Phu and Ha Son Binh Provinces and Hanoi even surpassed their additional delivery goals. Nghe Tinh was the province that arrived at the finish line first, with the volume of grain having increased by more than 10,000 tons over the 1982 fifth-month and spring season. Although Thanh Hoa had encountered difficulties caused by natural calamities, it strived very hard and overfulfilled its early-season delivery goal. Hai Hung, which had had many changes in this season, overfulfilled its early-season delivery goal with the highest absolute grain volume in the North. Bac Thai became an outstanding highland province after it had overfulfilled its goal with the largest volume and at the earliest time. Then came such provinces as Quang Ninh, Ha Bac, Binh Tri Thien, Hai Phong and Hoang Lien Son, which fulfilled their own early-season delivery goals. Although the harvest of this year's fifth-month and spring crop was completed 20 days later than that of last year, the volume of grain put into storehouses increased by nearly 70,000 tons over the 1982 fifth-month and spring crop. Since the beginning of the harvest the average amount of grain put into storehouses has been 24,000 tons a day, or twice the figure obtained during last year's harvest.

A noteworthy fact is that the nonobligation paddy purchased in this crop has exceeded 230,000 tons, an increase of nearly 100,000 tons over the same period last year, while the purchases by cash have accounted for only a small part in the total.

The mobilization of the fifth-month and spring grain this year encountered many difficulties: the task was heavier; the harvest was late and there was a shortage of materials and goods, which were late to arrive; purchase prices and the price base used in exchanges were not uniform from the beginning of the season. But the fact that the results so far obtained were better than in the previous crops mainly was due to the special interest of the central administration and the positive changes made by the local leadership. It was these decisively significant factors that helped to generate the overall strength of the sectors and people taking part in the grain mobilization and to encourage agricultural cooperatives and farmers to harvest and to deliver their crop at the same time to storehouses to fulfill the assigned obligation and later to get paid, to receive goods and cash from the purchasing organs. In Nghe Tinh Province, the VCP and people's committees of all districts concentrated on using their total strength and assuming command over putting grain into storehouses at "terrific speed." In Thanh Hoa Province, its districts adopted the formula of assigning the set norms to each and every cooperative member's family and putting into storehouses both obligation and non-obligation grain, for the purpose of fulfilling their overall goals. In Hai Hung, many districts and cooperatives fulfilled their overall goals right after the crop had been harvested. Many districts in Ha Bac Province raised the question of quickly fulfilling their overall goals in order to have enough time and manpower to grow the tenth-month rice crop and, to do so while the state had not yet sent them any goods and cash, urging farmers to put paddy into storehouses in the meantime so as to fulfill such goals. As the pace of putting grain into storehouses was quickening, the grain sector in many localities had to open hundreds of additional weighing and receiving stations and to work around the clock in order to avoid excessive waiting time for farmers.

The outstanding aspect of the matter was the fact that next to the provinces that had fulfilled their task there were the ones that did poorly in terms of fulfilling their plans. In those localities the reasons were not any difficulties encountered in production, nor a lack of a basis for fulfilling the overall goals or the interest in leadership over the grain-related work on the part of the provincial and district party committee echelons and people's committees. Some localities had been trying very hard to do the grain-related work, but the results they obtained were not what they had expected.

The realities in this matter indicate that about conceptual views, the total volume of grain to be mobilized and the degree of mobilization are based on stable obligation. On the grain front, all party resolutions do affirm that the state must control the grain and be the master on the grain market. That is the political task of all sectors and echelons, which is reflected in the overall goal set for the entire country and each locality for each year and season. This task is not contrary to the policy of stabilizing the grain obligation, for

in the relations between the state and farmers, it is necessary to stabilize the volume of grain to be sold within the latter's obligation so as to make them feel reassured to develop production, to get more grain to sell to the state beyond their obligation in order to be distributed industrial goods and to sell grain at promotional prices, which are higher than obligation purchase prices. With the trend of production development continuing, the purchases of nonobligation grain play a more and more important role; they are to account for larger shares in the total volumes of grain purchased. The fact that the obligation and nonobligation shares are separated from each other, with the understanding that the obligation share must be obtained and that the nonobligation one is to be filled through encouragement and application of economic measures, has slowed down the pace of grain purchases in a number of localities after their obligation was fulfilled.

About policies and measures, some sectors still used fertilizers to exchange for grain at prices lower than the ones set by the state and thus violated the principle of letting the grain sector be solely engaged in the grain business. In the application of the three economic, administrative and educational measures, some localities were leaning toward the economic measure, raising the purchase prices and price base for exchanges, or having recourse to making purchases through rewarding with industrial goods, which actually was increasing the purchase prices and yet did not result in additional purchases, for farmers were led to believe in making a comparison with the free market prices or to hold their paddy until the state would further raise its prices.

About the method of agreement, many localities worked laterally with the co-operatives or assigned purchases by counting the number of families or number of sao, which did not suit the actual income of each family following the application of product contracting and at the same time led to the situation in which the families that were short of grain were asked to sell it while the families that had paddy to spare were not asked to sell enough of it. As it adopted the method of working with individual families, Hai Phong was able to urge nearly 1,000 families to sell 1 ton or more of the nonobligation grain, even 6-7 tons in some cases. If this way of assigning the volume of grain to be purchased were widely applied along with a firm leadership over applying the three measures, Hai Phong would have a great chance to fulfill its overall goal in this season.

Compared to the total goals that have been adjusted upward the North as a whole is still short of nearly 59,000 tons. There are many factors that allow us to believe that we can fulfill the overall goals: after a few consecutive good crops, in many localities farmers still have surplus paddy; the volume of production of grain in this year's fifth-month and spring season has been increased by nearly 260,000 tons over the 1982 season, but the total level of purchases has increased by only one-half of this figure; almost all localities

show a high degree of determination and struggle very hard; the production of the tenth-month rice following the rains is being stepped up; prices of grain in the free market seem to be decreasing.

By further developing the above-mentioned strengths, the task that lies ahead for us to fulfill is as follows: the provinces that have fulfilled their overall goals, including the additional shares of grain assigned, must continue to urge the households that still have surplus grain to let them buy it and must not stop at the results they already obtained. The provinces that have just fulfilled the early-season assigned goals must strive to fulfill the additional assignment, particularly to concentrate on the districts, cooperatives and households that have not yet fulfilled their goals. The provinces that have not yet fulfilled their overall goals must seek the actual reasons behind their failure, have plans to compensate for it and concentrate on a higher degree of leadership so as to resolutely fulfill the goals they have been assigned. In addition to the six highland provinces that are trying to purchase grain at a higher speed to compensate for delays due to a later harvest than in the delta, there are three provinces and municipality in the delta where the results obtained from purchasing grain will determine the fulfillment of the overall goals of the North, for just in these three provinces the level of grain to be purchased already accounts for two-thirds of the remaining task in the fifth-month and spring season.

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AGRICULTURE

THAI BINH FULFILLS 1983 GRAIN-MOBILIZING GOAL

Hanoi NHAN DAN in Vietnamese 1 Aug 83 p 4

[VNA News Release: " Thai Binh Fulfills Overall Grain-Mobilizing Goal for 1983, With Average of 1,946 Kilograms of Paddy Per Hectare"]

[Text] As of 30 July, Thai Binh Province has mobilized 108,200 tons of the fifth-month and spring grain, raising the total volume of grain mobilized in 1983 to 140,000 tons and thus fulfilling the grain-mobilizing plan for 1983, which exceeds the level of grain mobilized last year by 28,000 tons and is the best year ever in terms of the volume of grain mobilized. In average, for every hectare of rice cultivation, it has mobilized 1,946 kilograms of paddy. Three districts -- Dong Hung, Kien Xuong and Vu Thu -- and the City of Thai Binh have mobilized an average of 2 tons of grain per hectare.

Thai Binh is urging its people to sell their excess paddy to the state.

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AGRICULTURE

PHU KHANH COOPERATIVES ATTAIN HIGH WINTER-SPRING RICE YIELDS

Hanoi NHAN DAN in Vietnamese 24 Jul 83 p 1

[VNA News Release: "Phu Khanh: 14 Cooperatives Attain Winter-Spring Yields of 50 to 61 Quintals Per Hectare"]

[Text] This year Phu Khanh was affected by prolonged serious drought, so the province encountered many difficulties in meeting its agricultural production norm. During the 1982-1983 winter-spring season the province planted 47,986 hectares, 41,357 hectares of which were planted in grain crops, which was 92.2 percent of the number of hectares planted during last year's winter-spring season. The area planted in rice amounted to 33,629 hectares, 94.2 percent of the plan norm. Many dry, hot areas, such as Cam Ranh, Ninh Hoa, Tuy An, Dong Xuan, Tay Son, etc., rapidly changed over to growing subsidiary food crops and the various kinds of starchy crops.

Thanks to the rather uniform development of the movement to intensively cultivate rice, especially in the key rice-growing areas, the province's average winter-spring yield was 32.3 quintals per hectare. The city of Tuy Hoa attained a yield of nearly 40 quintals, highest in the province, and Tuy Hoa District attained a yield of more than 37 quintals. That was the second winter-spring season since the liberation in which Phu Khanh attained high yields and output.

According to initial statistics, 14 cooperatives in the province attained yields of 50 quintals or more: the town of Phu Lam, 61 quintals; Binh Kien, 59 quintals; Subward 2, Tuy Hoa City, 57 quintals; Hoa Vinh 2, 55.5 quintals; Ha Binh 1, 53.5 quintals; the town of Ninh Hoa, 53.4 quintals; Hoa Vinh 1, 52.5 quintals; Hoa Hiep Bac, 52 quintals; the cooperatives of Hoa Hiep Trung, An Thach, Hoa Tri, Hoa Thanh ay, and Hoa Thanh Dong, 51 quintals; and the town of Tuy An, 50.5 quintals.

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AGRICULTURE

NORTHERN PROVINCES' GRAIN PRODUCTION REPORTED

Hanoi NHAN DAN in Vietnamese 13 Jul 83 p 1

[Article: "As of 10 July, Seven Provinces and More Than 60 Districts Have Completed the General Grain Mobilization Quota for the Fifth-Month and Spring Crop"]

[Text] This year's fifth-month and spring crop for the northern provinces was a bumper crop. The harvesting period was 15 to 20 days later than last year's fifth-month and spring crop, with mountain provinces even later. In general, however, grain mobilization efforts have been fast and feverish. As of 10 July, seven provinces (Nghe Tinh, Binh Tri Thien, Vinh Phu, Ha Son Binh, Thanh Hoa, Hanoi and Hai Hung), more than 60 districts and 1,970 cooperatives have completed the general mobilization quota norm for fifth-month and spring grain. Three Former Zone 4 provinces have encouraged farmers to harvest fifth-month rice quickly, systematically, and with a high percentage to satisfy the obligation. Provinces have had a fast rate of delivery to granaries because of close guidance, meeting schedules, and sectors satisfactorily concentrating support. Vinh Phu is a midland, late-harvesting province with many types of industrial crops that are harvested at the same time as fifth-month rice, yet it ranked third after Nghe Tinh and Binh Tri Thien in completing the general quota early, exceeded the norm by more than 4,000 tons, and is striving to mobilize an additional 10,000 tons. In Hai Hung, the key rice province of the Red River delta, mobilization of the 1982 tenth-month crop was not high. The province, citing the slogan "use fifth-month rice to make up for tenth-month rice," delivered 126,765 tons to state granaries, more than 1,000 tons in excess of that assigned. Nine out of 12 districts have finished mobilizing for the general quota. Nineteen cooperatives are contributing 1,000 tons (for the entire year) or more. For the fifth-month and spring crop, each person in the province on the average is contributing 72 kilograms of paddy to the state. Hai Hung farmers are continuing to sell 10,000 more tons of paddy to the state. Ha Son Binh Province alone, after delivering to granaries in excess of the general quota norm assigned, completed the entire mobilization quota assigned by the state by more than 5,000 tons and is encouraging farmers to sell more.

Alongside the localities which are satisfactorily, rapidly and systematically performing fifth-month and spring grain mobilization efforts, there still remain a number of provinces which are performing slowly. So far, Thai Binh Province and Haiphong Municipality have basically completed the harvesting, but the amount of grain delivered to these two localities' granaries has only been between 30 and 50 percent of the general quota.

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AGRICULTURE

EDITORIAL ASKS FOR STATE MONOPLOY IN GRAIN DEALINGS

Hanoi NHAN DAN in Vietnamese 13 Jul 83 p 1

[Editorial: "Mobilizing Grain With the Highest Level of Effort"]

[Text] The entire country is stepping up grain mobilization efforts. The new feature of this effort is that many places are beginning to make satisfactory and systematic use of all three measures -- the economy, education and administration. In the economic measure, many localities, simultaneous with collecting taxes and debts, are placing emphasis on purchases according to two-way contracts and overcoming instances of chasing marketing systems. Together with improving political awareness, encouraging patriotism and love of socialism, and upholding the cadres', party members', and youth group members' role of setting the example, many localities have made the farmer clearly realize that bumper crops are not only the result of the diligent labor of the farming class but are also due to the tremendous assistance of the state, the working class and many sectors. During the period rice was suffering from drought, in the south as well as in the north many factories and work sites had to cease producing a number of things and many cities and towns had to reserve most of the electricity to steadily combat drought to save the rice. In the north during this period, electricity used for agriculture accounted for one-third of the power output. Thanks to this, the winter-spring crop in the south and the fifth-month and spring crop in the north were both bumper crops. By the end of June, the state had mobilized a volume of grain 20 percent more than the corresponding period last year. The provinces of Nghe Tinh, Binh Tri Thien, Thanh Hoa, Ha Son Binh, and Vinh Phu have completed the general grain mobilization norm for the fifth-month and spring crop. The provinces of Hau Giang, Cuu Long, Tien Giang, Ben Tre, Long An, Dong Nai, and Tay Ninh overfulfilled the grain mobilization plan norm for the 1982-1983 tenth-month and winter-spring crops. These provinces and many others are encouraging farmers to sell hundreds of thousands more tons of paddy to the state. The emulation movement to overfulfill the grain mobilization plan norm is expanding widely in villages and hamlets. Many farming households, after putting aside enough for eating and other essential needs, have had rice surpluses of 1 to 3 tons which they have sold to the state. This is new progress of important significance.

In a number of localities, however, the pace of grain mobilization remains slow and the level of grain mobilization is low. And even though the entire country is mobilizing to meet this year's plan norm and general quota, the state still

has not cleared up enough of the essential grain needs within the state sector. This year is the first year we have begun to solve on our own the grain problem by relying on domestic production results, not imports. This is an extremely glorious task, but it is not easy and demands staunch, strenuous struggle by all levels, sectors and localities from the central level to the primary level. Rural party organizations and farmers nationwide should clearly understand this situation and task in order to uphold the sense of responsibility in stepping up grain production and fulfilling the obligation to pay taxes, pay off debts and sell grain to the state. An urgent task is to organize exploitation and create additional sources of material and goods to deliver to the countryside in sufficient amount and on schedule in order to exchange with farmers in accordance with two-way contracts and not let it flow onto the free market or be held back at levels for "internal distribution." Should goods from the state not be sufficient or not arrive on time, farmers may turn over paddy first and the state will turn over goods and material later. The use of cash to buy grain at the incentive price should be kept to a minimum and, when buying, one should try to persuade farmers to set a rational incentive price and not use the free market price as "the standard." We should devote attention to collecting man-days for machine plowing and water conservancy fees in kind. For those who are intentionally overdue in paying sufficient agricultural taxes and those who refuse to pay debts on time, we should have appropriate administrative measures, should strengthen market management, eliminate private merchants who engage in the long-distance grain trade, and strictly prohibit private merchants going to the countryside to compete with the state in buying grain. In large cities and industrial areas strive to implement early unification of the grain business by the state and eliminate private merchants as agents for the retail sale of grain to the state; shift the remainder to production of or business in other types of goods. We should severely punish instances of speculation, black marketing, theft and destruction of the state's grain. Subsidiary food crops should not be slighted because the standard for subsidiary food crops converted into paddy accounts for a portion of this year's general grain mobilization quota that is not small. Procurement organizations should fully prepare equipment for weighing, packaging, transporting, preserving and closely managing the amount of grain delivered to granaries and put an end to instances of "nonexistent deliveries" or "entrustment signature" deliveries which are, in essence, nonexistent deliveries.

Thoroughly understanding the resolution of the 3rd and 4th Plenums of the VCP Central Committee and for building and defending the socialist fatherland, from the very beginning of this harvest season we should mobilize grain with the highest level of effort and create support for the state to gradually monopolize grain.

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AGRICULTURE

HO CHI MINH CITY REDISTRIBUTES LAND, FORMS COLLECTIVES

Hanoi NHAN DAN in Vietnamese 13 Jul 83 p 1

[Article: "Ho Chi Minh City Forms 103 More Production Collectives, Trains 2,200 More Cadres for the Primary Level, Establishes Credit Cooperatives to Help Farmers Expand Production"]

[Text] For the first 6 months of this year, Ho Chi Minh City has further redistributed 1,341 hectares belonging to farming families who, on the scale of averages, have surplus fields, reallocated them to farming families who do not have or who lack fields, and added some fields to collectives. Nha Be District has finished redistributing land while Binh Chanh District has attained 68 percent of the plan norm; attempts are being made to complete land redistribution during the third quarter of this year.

Connected to land redistribution, districts and precincts bordering the city have formed 103 more production collectives and a cooperative as well as 1,984 production solidarity teams. Most of the collectives were formed on the basis of the recently redistributed land, are entering into production, and are implementing the product contract system from the very outset of the season. Binh Chanh District is developing 41 additional collectives, Thu Duc 12 collectives, Cu Chi 10 collectives, and Duyen Hai 15 collectives.

During the course of carrying out land redistribution and encouraging farmers to engage in collective production, precincts and districts are devoting attention to helping out the farmers in rice varieties, fertilizer, etc., making it possible to expand production and normalize daily life. The bank sector is helping districts establish five more credit cooperatives and help the farmers with capital for expanding production. In the past, the city trained more than 2,200 additional cadres for production collectives. The city's agricultural reform trade schools, the Economic College, Agricultural College 4, the Central Agricultural Cadre School, and the Cadre School for Cooperativization Management of the Central Agricultural Board are helping districts and precincts and holding cadre training classes for the city's agricultural cooperativization movement.

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AGRICULTURE

HIGH RICE YIELDS REPORTED IN HA NAM NINH DESPITE PROBLEMS

Hanoi NHAN DAN in Vietnamese 13 Jul 83 p 1

[Article: "Ha Nam Ninh: Fifth-Month and Spring Rice Yields Reach 33 Quintals Per Hectare; Hai Hau District Records 45 Quintals, Taking the Lead in Yields; Districts With Low-Lying Fifth-Month Ricefields Increase From 3 to 7 Quintals of Paddy Per Hectare"]

[Text] VNA--For this year's fifth-month and spring crop Ha Nam Ninh again exceeded all three norms -- area, yield and output. The entire province sowed and transplanted 900 hectares in excess of the plan norm. Yields averaged 33 quintals per hectare, an increase of almost 2.5 quintals, and grain output increased almost 40,000 tons compared with last year. This has been the best crop ever.

At the beginning of the fifth-month and spring crop, two cold waves killed more than 3,000 hectares of seedlings, and remaining areas also had plants ruined. The province convened a conference to provide guidance to cooperatives in transplanting seedlings with short-term varieties. Districts apportioned themselves more than 2,000 tons of replacement seedlings in order to transplant the entire area, only having planned allocation of varieties in a number of areas which were disrupted and where transplanting was behind schedule. Due to early rainfall at the outset of the season, work on more than 30,000 hectares of land had to be shifted to after dark, man-days for soil preparation increased, and the period for soil preparation was also prolonged. Cooperatives appropriated funds to reward soil-preparation teams and units exceeding set norms, and to contract with cooperative member families doing hoeing, digging, and harrowing in order to transplant on schedule. Tractor stations were supplied additional fuel and mobilized drivers to work extra hours and shifts. During the warm, sunny days near Tet, cooperatives concentrated laborers on the fields to uproot seedlings for rapid transplanting. In low-lying fifth-month rice areas, besides the area under the 314 rice variety, cooperatives for this crop expanded the area transplanted with early spring varieties. Thus, two-thirds of the area had been transplanted prior to Tet. Districts in key rice areas stressed transplanting many early spring rice varieties and reducing the area transplanted with late plantings in order to get the harvest in and concentrate on guaranteeing that work on the tenth-month crop was on schedule. Hai Hau District, due to allocating rice varieties not suited to the weather, still has hundreds of hectares of rice that have not yet bloomed. The district has furnished 1,000 tons of phosphate

fertilizer to cooperatives for supplemental fertilizing in conjunction with doing weeding, puddling, and cutting out sluices to wash and clean out acidity and alkalinity for the rice, and using nitrate fertilizer and composted stable manure to apply on the rice. Hai Hau's yields harvested for this crop, although averaging more than 45 quintals per hectare, only increased 0.6 quintal over the previous crop.

Districts with low-lying fifth-month fields (Duy Tien, Binh Luc, Ly Nhan, Vu Ban, Y Yen, Kim Bang, Thanh Liem, Hoa Lu and Tam Diep) are solving two important links -- planned allocation of varieties and the sowing and transplanting schedule, harvesting an increase of from 3 to 7 quintals per hectare compared with the previous crop.

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AGRICULTURE

LIFE OF STATE RUBBER PLANTATION WORKERS STABILIZED

Hanoi NHAN DAN in Vietnamese 29 Jul 83 p 2

[Article: "Dong Nai: Life Stabilized for Nearly 20,000 People Having Settled Down in State Rubber Plantations"]

[Text] The Dong Nai Rubber State Corporation has been making arrangement and creating favorable conditions for nearly 20,000 people who have come from different provinces and municipalities to settle down in the state rubber plantations to stabilize their living conditions. Almost all of them have been accepted as rubber workers. The plantations contract out to families areas to be opened for farming, care for crops and grain to be delivered. Many families have been able to build houses for themselves and to earn income from animal raising ranging from 10,000 to 15,000 dong per year.

The population of the Cu Bi, Ong Que, Xa Bang and Cam Duong plantations mostly consists of people from Binh Tri Thien and Quang Nam-Da Nang Provinces who came to settle down there in 1977. Thanks to the fertile land and their hard work, all families have been well-off. In average each family raises two hogs, owns two or three bicycles and lives in comfortable dwellings, with its children going to school, its cultural life being improved and its members seeing a movie or artistic performance once or twice each month.

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HEAVY INDUSTRY AND CONSTRUCTION

SHIP REPAIR YARD'S CONSTRUCTION STATUS GIVEN

Hanoi NHAN DAN in Vietnamese 13 Jul 83 p 1

[Article: "Work Site Building the Pha Rung Ship Repair Yard Works Quickly on Remaining Projects"]

[Text] As of the end of June, our cadres and workers and Finnish specialists building the Pha Rung Ship Repair Yard have completed more than 80 percent of the projects. The work site is presently concentrating on quickly carrying out work on remaining portions so as to put the yard into test production early.

During the 3 months of the second quarter, the pace of concrete pouring, equipment installation and canal dredging was faster than before. Two projects with the largest volume of concrete (the dry dock and heavy ship bridge) are 90 percent poured. Two main work shops (ship machinery and ornamentation) have completed the construction portion and are putting the finishing touches on the machine installation portion. Electrical systems supporting production in the yard (production of oxygen, compressed air and water pumps) have been finished. The oxygen production station has been put into operation. A number of secondary projects such as industrial drainage, the waste water handling station, the sanitary water drainage system, etc., also have completed between 40 and 70 percent of the work.

The Pha Rung Construction Corporation, the Project Management Board, the Le Chan Ship Repair Yard and the Dredger Corporation are, together with Finnish specialists, overcoming difficulties and stepping up work in order to complete construction of the yard exactly on schedule and will soon greet the first ship arriving for repairs. The project during the first stage will have the capacity to repair 35 5,000- to 12,000-ton ships annually.

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